2/17/87 U8130-1

OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA

ISSN 0030-1671

November 1986

VOL. 54, ISSUE 11

SUMMARY OF INDICATORS

Category	8 Mos. '86	8 Mos. '85	Aug. '86	Percentage Change 8 Mos. '86/85	Percentage Change Aug./July '86
Personal Income (Monthly Average)[a]					
Unadjusted ($000,000)	3,357	3,305	3,395	1.6	0.4
Adjusted for CPI ($000,000)	1,026.0	1,031.8	1,033.2	-0.6	0.1
Crude Oil Production (000 bbl)[b]	88,541	92,671	12,272	-4.5	2.6
Industrial Power Sales (000,000 Kwh)	5,410	5,347	697	1.2	1.0
Total Bank Deposits (Monthly Average) ($000,000)[d]					
Demand	7,427	7,771	6,993	-3.7	-2.7
Savings	26,555	27,047	25,024	-1.8	-1.3
Savings and Loan Associations ($000,000)					
Assets	10,060.3	9,662.7	10,163.4	4.1	0.8
New Mortgage Loans Made	1,026.6	868.6	108.4	18.2	-41.6
Employment[a,e]					
Total Labor Force (000)	1,598.1	1,574.0	1,604.1	1.5	-0.8
Total Employment (000)	1,462.8	1,459.9	1,456.0	0.2	-1.2
Unemployment Rate (%)	8.4	7.2	9.2	—	—
General Business Index	90.5	93.9	90.1	-3.6	1.9

[a] Includes revisions.

[b] 7 months and July data.

[c] Sales of larger privately owned utility companies.

[d] Total deposits of all depository institutions.

[e] Civilian Labor Force.

RETAIL TRADE IN SELECTED CITIES
($000)

City	Aug. '86 Adjusted	Aug. '86 Unadjusted	Adjusted '86/'85 8 Mos.	Adjusted 1986 Aug./July
Ada	14,146	13,973	2.0	0.2
Altus	13,372	12,378	11.2	4.6
Alva	3,888	3,746	4.8	-0.7
Anadarko	5,427	5,403	6.9	-1.8
Ardmore	18,779	18,733	5.1	1.5
Bartlesville	17,949	16,788	-1.8	7.8
Blackwell	3,204	3,096	-1.9	-0.4
Broken Arrow	17,045	16,845	10.8	-2.8
Chickasha	9,129	8,561	2.4	0.1
Clinton	5,716	5,622	3.8	4.6
Cushing	5,955	5,568	-2.3	-4.0
Del City	9,819	9,856	3.5	1.0
Duncan	13,052	12,555	3.7	2.7
Durant	9,265	9,330	10.4	2.1
Edmond	25,448	24,905	9.0	2.1
Elk City	7,465	7,444	3.7	-1.4
El Reno	7,806	7,469	-3.2	-2.4
Guthrie	5,738	5,646	13.8	2.7
Guymon	5,173	5,332	4.9	3.6
Henryetta	4,940	5,038	3.9	-3.0
Hobart	2,502	2,319	5.1	8.0
Holdenville	2,904	2,619	8.1	-1.5
Hugo	2,904	2,821	12.6	-4.9
Idabel	3,671	3,665	-1.2	-2.9
Lawton	44,980	44,289	5.4	1.7
McAlester	10,199	10,325	1.6	-2.5
Miami	12,335	12,549	30.2	-1.1
Midwest City	40,970	40,269	5.2	7.6
Moore	11,776	11,497	3.6	1.5
Muskogee	27,214	26,476	7.2	0.7
Norman	61,386	60,714	7.8	4.4
Oklahoma City	260,460	256,022	1.2	2.2
Okmulgee	6,031	5,781	10.9	0.8
Pauls Valley	3,674	3,702	-4.5	-6.6
Pawhuska	1,738	1,778	-1.9	-3.7
Ponca City	15,321	15,366	8.7	1.6
Poteau	4,560	4,378	8.1	-4.5
Sand Springs	8,150	8,274	10.7	1.2
Sapulpa	14,436	13,790	0.3	0.6
Seminole	6,925	6,843	36.7	-4.3
Shawnee	21,801	21,856	7.4	0.8
Stillwater	19,313	21,690	1.5	-2.0
Tahlequah	7,155	7,438	0.7	-3.7
Tulsa	234,254	233,728	5.2	1.0
Watonga	1,836	1,894	-5.7	3.4
Weatherford	5,962	6,181	-8.8	0.2
Wewoka	1,207	1,172	-0.1	5.0
Woodward	11,529	11,295	2.4	2.9
Total	1,048,508	1,037,019	4.4	1.6

RETAIL TRADE IN METRO AREAS AND STATE
($000)

					Percentage Change		
	8 Mos. '86	8 Mos. '85	Aug. '86		8 Mos. '86/'85	Aug./July '86	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	1,445,188	1,312,522	186,447	191,225	10.1	2.1	6.1
Apparel	133,616	151,396	15,982	15,093	-11.7	-1.2	5.2
General Merchandise	532,343	605,261	61,452	61,101	-12.0	-4.3	2.6
Furniture	160,206	187,993	18,890	19,036	-14.8	-4.9	-2.9
Lumber	147,462	142,404	16,719	19,298	3.6	-3.3	-3.9
Auto Dealers	1,204,284	930,600	137,551	122,869	29.4	-1.1	4.5
Service Stations	148,572	215,144	17,494	18,894	-30.9	20.0	23.4
All Other	509,523	482,531	66,634	66,073	5.6	7.3	7.2
Total	4,281,194	4,027,851	521,169	513,589	6.3	1.0	3.1
TULSA MSA							
Food	906,094	839,099	113,192	112,393	8.0	0.7	6.1
Apparel	119,526	137,367	14,626	14,575	-13.0	0.3	13.6
General Merchandise	392,750	471,917	45,994	48,196	-16.8	-5.1	2.5
Furniture	154,950	134,933	19,176	18,433	14.8	1.7	-5.7
Lumber	127,951	94,307	15,674	18,498	35.7	-2.1	3.4
Auto Dealers	700,700	541,417	80,032	71,491	29.4	-1.1	4.5
Service Stations	122,067	176,764	14,373	15,523	-30.9	20.0	23.4
All Other	70,215	72,938	7,247	8,709	-3.7	-6.3	-34.7
Total	2,594,253	2,468,742	310,314	307,818	5.1	-0.4	3.0
ENID MSA							
Food	79,039	79,632	9,545	9,922	-0.7	0.0	3.0
Apparel	13,210	13,430	1,614	1,477	-1.6	-0.6	6.1
General Merchandise	33,461	37,588	4,114	3,876	-11.0	-1.9	7.5
Furniture	7,821	9,973	984	1,062	-21.6	2.7	11.7
Lumber	12,888	10,191	1,534	1,847	26.5	-1.7	7.3
Auto Dealers	68,918	53,265	7,872	7,032	29.4	-1.1	4.5
Service Stations	10,955	15,877	1,290	1,604	-31.0	20.1	42.1
All Other	24,092	18,740	3,262	3,696	28.6	0.0	8.1
Total	250,384	238,696	30,215	30,516	4.9	0.1	4.0
LAWTON MSA							
Food	119,901	114,300	15,198	15,680	4.9	4.5	4.7
Apparel	13,659	15,742	1,676	1,514	-13.2	1.6	5.8
General Merchandise	69,917	76,512	8,495	8,657	-8.6	-2.9	5.8
Furniture	20,284	18,879	2,575	2,508	7.4	-2.4	10.7
Lumber	16,500	17,328	1,954	2,108	-4.8	-3.3	8.4
Auto Dealers	91,857	70,989	10,491	9,372	29.4	-1.1	4.5
Service Stations	7,468	10,828	879	950	-31.0	19.9	23.4
All Other	29,523	27,976	3,997	3,689	5.5	-0.1	-18.6
Total	369,109	352,554	45,265	44,478	4.7	0.6	1.2
MUSKOGEE AREA							
Food	95,027	88,593	11,089	11,777	7.3	-4.0	-4.7
Apparel	12,281	13,663	1,564	1,626	-10.1	4.0	10.4
General Merchandise	26,624	33,780	3,110	2,896	-21.2	-4.7	-5.9
Furniture	9,290	8,238	1,162	1,130	12.8	-0.6	-3.3
Lumber	4,693	4,281	546	657	9.6	-4.2	-4.8
Auto Dealers	57,961	44,788	6,617	5,913	29.4	-1.2	4.5
Service Stations	9,604	13,927	1,128	1,220	-31.0	20.3	23.4
All Other	22,341	16,151	3,297	3,063	38.3	-78.8	-80.2
Total	237,821	223,421	28,513	28,282	6.4	-30.9	-30.8
STATE[a]							
Durable Goods	4,422,299	3,627,792	517,636	486,502	21.9	1.6	2.2
Auto Dealers	3,009,439	2,325,468	343,736	307,045	29.4	-1.1	4.5
Accessory Dealers	240,378	261,354	29,567	31,887	-8.0	-1.4	-2.3
Total Automotive	3,249,817	2,586,822	373,303	338,932	25.6	-1.1	3.8
Furniture	220,453	231,977	26,220	28,042	-5.0	-2.5	0.7
Household Appliances	170,714	169,128	20,670	21,687	0.9	-2.5	-5.0
Total Furniture and Appliances	391,167	401,105	46,890	49,729	-2.5	-2.5	-1.8
Lumber and Building Materials	477,251	384,214	57,084	66,311	24.2	-2.1	-2.9
Hardware Stores	45,764	46,638	5,606	5,833	-1.9	0.4	-2.8
Total Lumber, Building Materials & Hardware	523,015	430,852	62,690	72,144	21.4	-1.9	-2.9
Nondurable Goods	7,763,098	7,410,682	991,046	1,026,091	4.8	6.0	10.0
Apparel	407,789	427,396	49,202	47,880	-4.6	1.9	8.4
Drug Stores	333,233	273,644	43,342	43,315	21.8	1.3	7.1
Eating and Drinking Places	1,277,621	1,118,120	163,155	176,506	14.3	0.8	3.4
Food Group	3,169,817	2,705,105	395,182	413,964	17.2	1.1	6.9
Service Stations	487,822	706,427	57,466	62,049	-30.9	20.2	23.4
General Merchandise Group	1,552,137	1,642,904	209,891	215,884	-5.5	7.7	22.5
Total Retail Trade	12,185,397	11,038,474	1,508,682	1,512,593	10.4	4.4	7.4

[a] Total includes data for categories not shown in the table.

ENID AND LAWTON MSAs
MUSKOGEE MA

Category	8 Mos. '86	8 Mos. '85	Aug. '86	Percentage Change 8 Mos. '86/'85	Percentage Change Aug./July '86
ENID MSA					
Employment (Number)[a]					
Labor Force	31,250	32,078	30,600	-2.6	2.9
Total Employment	28,662	29,862	28,000	-4.0	2.8
Unemployment Rate (%)	8.3	6.9	8.5	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	1,328	3,904	61	-66.0	1.3
Number of Units	19	62	1	-69.4	0.0
Residential—Multi Family					
Dollar Value ($000)	2,000	1,246	0	60.5	0.0
Number of Units	62	23	0	169.6	0.0
Nonresidential					
Commercial ($000)	70	3,090	0	-97.7	0.0
Industrial ($000)	1,587	0	0	—	0.0
Institutional ($000)	0	2,000	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	193	1,081	0	-82.2	0.0
All Other Nonbuilding ($000)	9	80	9	-88.7	
Total Construction ($000)	5,186	11,401	70	-54.5	16.3
LAWTON MSA					
Employment (Number)[a]					
Labor Force	47,250	46,766	46,900	1.0	2.9
Total Employment	44,738	44,462	44,000	0.6	3.9
Unemployment Rate (%)	5.2	4.9	5.3	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	15,781	10,000	2,480	57.8	14.4
Number of Units	252	167	33	50.9	0.0
Residential—Multi Family					
Dollar Value ($000)	2,119	3,381	52	-37.3	—
Number of Units	78	133	2	-41.4	—
Nonresidential					
Commercial ($000)	4,509	4,384	1,004	2.8	31.2
Industrial ($000)	408	0	0	—	0.0
Institutional ($000)	1,638	14,740	1,500	-88.9	—
Nonbuilding					
Streets and Highways ($000)	1,429	5,15[illegible]	0	-72.3	0.0
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	25,883	37,663	5,036	-31.3	71.7
MUSKOGEE MA					
Employment (Number)[a]					
Labor Force	33,222	32,309	33,400	2.8	1.0
Total Employment	30,128	29,003	30,675	3.9	0.0
Unemployment Rate (%)	9.4	10.2	8.2	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	4,238	4,754	318	-10.8	-54.0
Number of Units	62	66	5	-6.1	-50.0
Residential—Multi Family					
Dollar Value ($000)	3,490	2,001	0	74.4	—
Number of Units	75	74	0	1.4	—
Nonresidential					
Commercial ($000)	1,755	3,137	155	-44.1	-57.3
Industrial ($000)	1,502	590	0	154.5	0.0
Institutional ($000)	3,307	356	1,079	E	—
Nonbuilding					
Streets and Highways ($000)	319	2,608	0	-87.8	
All Other Nonbuilding ($000)	81	74	0	9.5	—
Total Construction ($000)	14,692	13,520	1,552	8.7	-0.1

E = Exceeds 600 percent.

[a] Includes revisions in some previous months.

Sources for all tables: Local utilities companies; 10th Federal Reserve District Member Banks; Federal Home Loan Bank of Topeka; Oklahoma Employment Security Commission; United States Department of Commerce, Construction Statistics Division; Oklahoma Department of Transportation, *Progressive Report of the Transportation Director*; Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian M. Hickey, Research Assistant.

Printed by University Printing Services. Seven hundred copies were prepared and distributed at a total of $500.00. Cost to the taxpayers of the State of Oklahoma: $312.00. November 1986.

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73069. November 1986, volume 54, number 11. (ISSN 0030-1671). Second class postage paid at Norman, Oklahoma 73070. Subscription price per year is $10.00. Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73069. NOTE: Beginning January 1987 articles formerly published in *Review of Regional Economics and Business* will be incorporated into the March and September issues of the *Oklahoma Business Bulletin*.

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

OKLAHOMA CITY AND TULSA MSAs

Category	8 Mos. '86	8 Mos. '85	Aug. '86	Percentage Change 8 Mos. '86/'85	Percentage Change Aug./July '86
OKLAHOMA CITY MSA					
Employment (Number)[a]					
Labor Force	516,100	515,375	518,800	0.1	0.4
Total Employment	479,725	484,700	470,500	-1.0	-2.9
Unemployment Rate (%)	6.9	6.0	9.3	—	—
Mortgage Loans Closed ($000,000)[b]	227.7	272.6	24.1	-30.6	-16.5
Bank Deposits ($000,000)[c]					
Demand Deposits	939	1,085	901	-13.5	-3.1
Time and Savings Deposits	2,193	2,685	2,059	-18.3	-3.9
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	136,860	156,614	13,932	-12.6	-24.7
Number of Units	2,284	2,597	234	-12.1	-25.5
Residential—Multi Family					
Dollar Value ($000)	25,847	30,020	485	-13.9	-88.0
Number of Units	902	1,460	19	-38.2	-87.7
Nonresidential					
Commercial ($000)	58,747	117,299	10,951	-49.9	-3.1
Industrial ($000)	5,114	13,040	1,108	-60.8	-1.5
Institutional ($000)	9,424	15,402	1,035	-38.8	-47.8
Nonbuilding					
Streets and Highways ($000)	31,116	27,249	5,651	14.2	238.8
All Other Nonbuilding ($000)	3,515	4,403	451	-20.2	-18.0
Total Construction ($000)	270,623	364,027	33,612	-25.7	-14.2
General Business Index	85.2	89.6	82.7	-4.9	-1.6
TULSA MSA					
Employment (Number)[a]					
Labor Force	353,825	344,238	359,600	2.8	1.2
Total Employment	323,588	319,000	328,600	1.4	0.8
Unemployment Rate (%)	8.6	7.3	8.6	—	—
Mortgage Loans Closed ($000,000)[b]	216.8	155.0	20.0	39.9	-30.3
Bank Deposits ($000,000)[c]					
Demand Deposits	704	732	636	-3.8	7.6
Time and Savings Deposits	2,037	1,896	1,920	7.4	-4.2
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	79,505	87,423	7,864	-9.1	-28.3
Number of Units	1,289	1,491	121	-13.5	-29.2
Residential—Multi Family					
Dollar Value ($000)	31,841	23,494	11,937	35.5	E
Number of Units	854	723	209	18.1	E
Nonresidential					
Commercial ($000)	34,556	119,437	2,636	-71.1	-12.3
Industrial ($000)	4,653	15,491	1,051	-70.0	-8.3
Institutional ($000)	16,389	18,331	6,342	-10.6	505.7
Nonbuilding					
Streets and Highways ($000)	10,560	12,198	87	-13.4	-91.1
All Other Nonbuilding ($000)	4,608	3,682	337	25.1	-70.6
Total Construction ($000)	182,113	280,056	30,253	-35.0	61.0
General Business Index	86.2	91.0	84.2	-5.3	-0.9

E = exceeds 600 percent

[a] Includes revisions in some previous months

[b] By Savings and Loan Associations

[c] Total deposits of the Large Commercial Banks

CONSTRUCTION, STATE

Category	8 Mos. '86	8 Mos. '85	Aug. '86	Percentage Change 8 Mos. '86/'85	Percentage Change Aug./July '86
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	260,014	289,489	27,214	-10.2	-22.0
Number of Units	4,238	4,816	423	-12.0	-25.1
Residential—Multi Family					
Dollar Value ($000)	69,548	66,419	12,911	4.7	154.0
Number of Units	2,147	2,814	239	-23.7	27.1
Nonresidential					
Commercial ($000)	113,552	268,810	15,341	-57.8	33.3
Industrial ($000)	14,797	33,030	2,952	-55.2	36.1
Institutional ($000)	43,389	55,107	9,968	-21.3	290.4
Nonbuilding					
Streets and Highways ($000)	107,116	101,719	21,485	5.3	193.2
All Other Nonbuilding ($000)	9,254	9,381	837	-1.3	-44.2
Total Construction ($000)	616,761	823,955	90,709	-25.1	39.5

[a] Includes revisions

12/29/86 U 8130-1

OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA

ISSN 0030-1671

December 1986 VOL. 54, ISSUE 12

BUSINESS HIGHLIGHTS

by
*Neil J. Dikeman, Jr.**

1986 to Date

Data available for the first three quarters of this year strongly suggest that 1986 will not be a year of even partial recovery for the State's economy. On the contrary, only very large gains in several of the economic sectors will enable Oklahoma's business conditions to equal the very low levels experienced by the State's business community in 1985.

Employment:

Employment edged up fractionally in September to reverse the August decline. This rise coupled with those of earlier months kept the monthly average for the year at 1,465,000 jobs which is 3,400 jobs above the average at this time last year. The structure of the employed portion of the labor force has continued the changes which began in 1983 as jobs in manufacturing, mining and the construction trades continued to decline while those in trades, services and the "all other" category which includes utilities, transportation, finance, insurance, and real estate, among others, have increased.

Unfortunately, the gains in employment thus far this year have not matched the increase of about 21,000 in the average number of job seekers each month which has raised the number of unemployed in the State to 135,000 persons or 8.4 percent of the work force. This does not compare favorably with the average monthly unemployment level of 113,000 persons for the same period in 1985 (i.e. 7.2 percent of the average labor force).

Construction:

The construction industry has continued to follow the downward pattern of activity which began in 1983 so that the dollar volume of construction activity thus far this year is nearly 25 percent below the same period in 1985. The principal forces behind this year's decline have been the sharp decreases of 56.6 percent in commercial building and 51.1 percent in industrial building. These decreases were tempered slightly by lesser drops in single family dwelling construction, institutional building construction and nonbuilding construction as well as by the near 6 percent rise in the value of multi-family residential building permits.

Manufacturing:

Manufacturing activity in the State as measured by manufacturing employment has declined steadily since 1982 and 1986 appears to be a continuation of this pattern as the average monthly level of manufacturing employment so far is 6.1 percent below 1985. It is of note that, since 1982, the average employment of manufacturing activities in Oklahoma has declined by 20 thousand jobs. It is somewhat encouraging to note however that the number of workers in this important sector of the State's economy rose by nearly 2 percent in September.

The decline in manufacturing employment during the first three quarters of this year has been paralleled by a drop of 0.2 percent in industrial power sales. This latest decline has reduced the use of industrial power by 19.5 percent since 1982.

Energy:

After experiencing steady production increases between 1979 and 1984, the output of both crude petroleum and natural gas experienced significant decreases in 1985 and this pattern has continued throughout 1986 to date. In fact, the first three quarters of 1986 have witnessed a decline of 6.3 percent in the output of crude petroleum and one of 4.1 percent in natural gas production. These decreases were primarily attributable to decreases in the prices of both commodities which also triggered a drop-off in exploration activities as is demonstrated by the fact that where in 1982 there were nearly 1,000 rotary drilling rigs operating in the State, today there are approximately 130 such operations in Oklahoma. This decline in oil and gas well drilling has resulted in a continuous decline in employment in the mining sector over the past four years which is currently extending through 1986. The severity of this decrease is best illustrated by the fact that the monthly employment in Oklahoma's mining sector during 1982 averaged 102,000 workers whereas during the first 9 months of 1986 this average was 55,800 workers, a decline of 45.3 percent over the period.

Finance:

Despite the rash of bank failures during the past four years, deposits in all depository institutions have generally indicated regular growth at least until this year. However, during the first three quarters of this year, deposits in Oklahoma institutions are 2.7 percent below the level of 1985 despite an increase of 3.3 percent in September. If this situation continues it will mark the first downturn in deposits in Oklahoma since before 1970. This decline occurred both in demand and savings accounts and is attributable in part to increased consumer purchases at the retail level and to the failure of personal income to increase at a rate which was significantly in excess of the rate of inflation.

Conversely, assets of Savings and Loan Associations turned up by 3.8 percent from the 1985 level and the new mortgage loans were 13.1 percent higher than in the previous year. This latter phenomenon has been due for the most part to the reductions which have occurred in long term mortgage interest rates.

Retail Sales:

Retail trade, which lagged somewhat in 1985, has experienced a relatively good comeback so far this year and was about 10 percent ahead of the levels recorded during the same period last year. Much of this increase has been due to a gain of 20.5 percent in sales of durable goods triggered by increases of 27.4 percent in automobile sales and 23.4 percent in sales of lumber and building materials.

The 5.3 percent rise in nondurable goods sales which tempered the gain in sales of durable goods to a great degree, was the result of relatively large increases in drug store, food store, and restaurant sales while decreases in sales of apparel, general merchandise stores and service stations off-set these gains to some degree.

Personal Income:

The changes which have occurred in the structure of the work force (i.e., the loss of higher paying jobs in manufacturing, mining and construction) and the reduction in prices and output of crude petroleum and natural gas have combined to restrict personal income received by Oklahomans during the first 9 months of the year to an increase of 2.3 percent. This gain barely exceeded the rate of inflation over the year and as a result, real income has risen by only 0.1 percent but it should be noted that at the end of the first seven months, real personal income lagged that of the same period of 1985 by 0.6 percent thus the increased rate of change during September could indicate the beginning of a slight acceleration in the rate of growth in personal income.

The General Business Index:

As might be expected from the conditions of the important economic indicators discussed previously, the level of business in the State has fallen well below that of 1985 to continue the pattern of the past two years. The average index for the first three quarters of 1986 was 90.8 which is 3.1 percent below the 93.7 recorded for the same period a year ago. On a more encouraging note, however, is the fact that the index has shown moderate gains during both August and September and further gains are expected during most of the last quarter.

Outlook for 1986

The apparent lack of real vitality among the major indicators suggests that, by year's end, general economic conditions in the State will be slightly worse than was the case in 1985. On a brighter note, however, it appears that some bases are being formed for a reversal of the downward pattern which will possibly lead to some noticeable recovery during the latter half of 1987 but more likely in the first half of 1988.

Employment:

Employment should experience some significant seasonal gains in November and December, particularly in the trades and services. The decreases noted in manufacturing construction and mining during the year should continue but at a much slower pace than has been evidenced recently. Government employment is expected to remain relatively stable as is employment in the agriculture sector. Assuming these expected changes occur, average monthly total employment during 1986 is expected to reach 1,475,000 persons which represents an increase of 0.7 percent over the 1985 level.

Construction:

Little if any change is expected in the current level of construction activity except that the recent, sharp decreases in multi-family dwelling construction will probably continue. This will leave the total dollar volume of construction for 1986 at approximately $848 million or about 25 percent below the total for 1985.

Manufacturing:

Manufacturing should, under normal circumstances, continue to increase at a very modest pace throughout the remainder of the year which should result in the average monthly employment in the manufacturing sector reaching 163 thousand jobs by the end of 1986. While this is 4.1 percent less than the 1985 average, it does represent a tendency toward stabilizing employment in this sector. The expected modest increases in manufacturing will also mean that industrial power usage will also show slight gains during the last quarter and will probably end the year at about the 1985 level.

Energy:

There has been little indication that either crude oil or natural gas prices will experience any meaningful increase during the remainder of the year. This being the case, crude petroleum production should end the year about 6 percent below 1985 output. In a like manner, natural gas output should remain 4 percent below last year's level unless a severe and long lasting cold spell occurs in December. In that event, the demand for natural gas will increase sharply and could push output up to within 3 percent of 1985.

Financial:

Total deposits of all depository institutions should continue to decline during the fourth quarter under the pressures of increased buying during the Christmas season. These declines should reduce the monthly average deposit levels to $33 billion which is 5 percent below the $35 billion average of deposits in 1985. Assets of Savings and Loan Associations are expected to remain at about $10.1 billion which is 4.1 percent above 1985. However, the volume of new mortgage loans made by these thrift institutions should decline during the last quarter to a total of $1.2 billion which still represents an increase of 2.9 percent over the 1985 total.

Retail Sales:

From all indications, Christmas purchases this year will exceed those of 1985 by a significant margin. These year end sales plus a relatively good November volume should offset the October lag and thus boost the total for the year to about $18.1 billion which is 10.8 percent above 1985.

Personal Income:

Personal income during the last quarter in Oklahoma is projected to experience modest monthly gains so as to reach an annual total $41.1 billion for the year. This represents an increase of 3.5 percent over the total for 1985 but, after adjustment for inflation, the real personal income in 1986 is projected to be only 0.4 percent above that of last year.

General Business Index:

The General Business Index for the State is expected to rise at a rate of about 1 percent per month during the remainder of the year. This will force the monthly average index up to 91.7 which represents a decline from 1985 of 1.8 percent.

**Neil J. Dikeman, Jr. is Associate Director for the Center for Economic and Management Research*

SUMMARY OF INDICATORS

Category	9 Mos. '86	9 Mos. '85	Sept. '86	Percentage Change 9 Mos. '86/'85	Percentage Change Sept./Aug. '86
Personal Income (Monthly Average)[1]					
Unadjusted ($000,000)	3,429.5	3,353.7	3,471.9	2.3	0.3
Adjusted for CPI ($000,000)	1,046.8	1,045.4	1,051.4	0.1	0.2
Crude Oil Production (000 bbl)[2]	99,675	106,324	11,134	-6.3	9.3
Industrial Power Sales (000,000 Kwh)	6,106	6,121	696	-0.2	-0.1
Total Bank Deposits ($000,000)					
Demand	7,402	7,734	7,206	-4.3	3.0
Savings	26,479	27,084	25,867	-2.2	3.4
Savings and Loan Associations ($000,000)					
Assets	10,044.5	9,680.9	9,918.8	3.8	2.4
New Mortgage Loans	1,115.5	986.5	88.9	13.1	-18.0
General Business Index	90.8	93.7	92.6	-3.1	2.7

[illegible]

[illegible]

RETAIL TRADE IN SELECTED CITIES
($000)

Retail Trade	9 Mos. '86 Adjusted	9 Mos. '85 Adjusted	Sept. '86 Adjusted	Sept. '86 Unadjusted	Percentage Change 9 Mos. '86/'85 Adjusted	Percentage Change Sept./Aug. '86 Adjusted	Percentage Change Sept./Aug. '86 Unadjusted
Ada	130,992	127,774	14,412	14,103	2.5	1.4	0.9
Altus	120,496	107,626	14,108	13,507	12.0	5.1	9.1
Alva	37,543	35,785	4,058	4,176	4.9	3.0	11.5
Anadarko	49,934	46,480	5,723	5,730	7.4	4.3	6.1
Ardmore	171,162	162,191	18,864	18,648	5.5	0.3	0.5
Bartlesville	173,653	179,166	17,484	17,344	-3.1	1.6	3.3
Blackwell	30,967	31,549	3,317	3,258	1.8	2.5	6.2
Broken Arrow	167,026	151,329	17,823	17,777	10.4	4.2	5.5
Chickasha	87,173	85,271	9,497	9,309	2.2	2.0	8.7
Clinton	55,788	53,728	5,960	5,984	3.8	3.4	8.4
Cushing	57,022	58,130	6,265	6,283	-1.9	4.7	12.8
Del City	91,015	88,106	9,859	9,646	3.3	0.4	-2.1
Duncan	123,374	119,084	13,429	12,635	3.6	2.6	0.6
Durant	85,157	77,095	9,336	9,412	10.5	0.5	0.9
Edmond	230,847	211,515	25,725	25,991	9.1	0.9	4.4
Elk City	73,009	70,251	7,869	7,881	3.9	4.6	5.9
El Reno	76,210	78,541	8,192	8,134	-3.0	4.7	8.9
Guthrie	54,618	48,295	5,709	5,729	13.1	-0.9	1.5
Guymon	46,712	44,404	5,188	5,012	5.2	0.2	-6.0
Henryetta	47,470	45,347	5,269	5,300	4.7	5.6	5.2
Hobart	23,134	22,034	2,441	2,391	5.0	-2.3	3.1
Holdenville	27,772	25,740	3,050	2,959	7.9	4.1	13.0
Hugo	28,501	25,359	3,228	3,257	12.4	10.4	15.5
Idabel	36,868	37,347	3,860	3,785	-1.3	4.5	3.3
Lawton	414,827	394,516	44,976	44,188	5.1	0.0	-0.2
McAlester	98,574	96,981	10,609	10,759	1.6	3.7	4.2
Miami	115,218	87,943	12,898	12,510	31.0	3.9	-0.3
Midwest City	357,248	338,801	40,899	38,693	5.4	0.2	-3.9
Moore	109,435	104,869	12,482	12,830	4.4	5.0	11.6
Muskogee	253,586	236,022	27,181	27,415	7.4	-0.2	3.5
Norman	564,877	525,546	60,664	62,096	7.5	-1.2	2.3
Oklahoma City	2,438,072	2,409,764	262,225	261,698	1.2	0.5	2.2
Okmulgee	55,303	49,762	6,049	5,930	11.1	0.3	2.6
Pauls Valley	36,848	38,761	3,689	3,597	-4.9	0.4	-2.8
Pawhuska	17,239	17,489	1,929	1,925	-1.4	8.7	8.3
Ponca City	143,213	130,738	16,285	16,564	9.5	5.4	7.8
Poteau	44,813	41,357	4,951	4,906	8.4	8.1	12.1
Sand Springs	74,506	67,173	8,357	8,353	10.9	2.2	1.0
Sapulpa	132,784	131,705	14,694	14,428	0.8	1.3	4.6
Seminole	66,074	48,100	7,054	7,469	37.4	2.0	9.1
Shawnee	202,180	187,045	22,508	22,514	8.1	1.9	3.0
Stillwater	181,786	179,031	20,051	20,273	1.5	3.5	-6.5
Tahlequah	68,697	68,345	7,724	7,969	0.5	7.0	7.1
Tulsa	2,178,549	2,071,707	235,841	233,327	5.2	0.5	-0.2
Watonga	16,743	17,730	1,848	1,699	-5.6	0.6	-10.3
Weatherford	57,086	63,135	6,302	6,496	-9.6	4.9	5.1
Wewoka	11,200	11,207	1,209	1,207	-0.1	0.3	3.0
Woodward	109,082	106,233	11,804	11,619	2.7	1.2	2.9
Total Selected Cities	9,774,383	9,356,107	1,062,895	1,056,716	4.5	1.1	1.9

RETAIL TRADE IN METRO AREAS AND STATE
($000)

Retail Trade	9 Mos. '86 Adjusted	9 Mos. '85 Adjusted	Sept. '86 Adjusted	Sept. '86 Unadjusted	Percentage Change 9 Mos. '86/'85 Adjusted	Percentage Change Sept./Aug. '86 Adjusted	Percentage Change Sept./Aug. '86 Unadjusted
OKLAHOMA CITY MSA							
Food	1,633,130	1,466,754	188,492	192,305	11.3	0.8	0.6
Apparel	149,130	168,172	15,738	16,054	-11.3	-1.6	6.4
General Merchandise	597,740	675,864	64,384	60,944	-11.6	3.6	-0.3
Furniture	180,461	211,289	20,030	19,400	-14.6	5.6	1.9
Lumber	163,791	158,589	16,622	17,350	3.3	-0.7	-10.1
Auto Dealers	1,352,217	1,061,064	144,026	143,403	27.4	3.9	16.7
Service Stations	166,395	238,815	17,734	18,033	-30.3	1.0	-4.6
All Other	569,332	542,076	59,428	56,049	5.0	-10.0	-15.2
Total	4,812,196	4,522,623	526,454	523,538	6.4	0.7	1.9
TULSA MSA							
Food	1,019,265	936,455	112,820	112,685	8.8	-0.1	0.3
Apparel	134,363	153,414	14,706	13,636	-12.4	0.5	-6.4
General Merchandise	442,316	531,217	49,004	45,929	-16.7	6.0	4.7
Furniture	174,394	150,829	19,487	18,334	15.6	1.2	-0.5
Lumber	143,409	105,930	15,613	16,324	35.4	-0.3	11.8
Auto Dealers	786,773	617,325	83,799	83,438	27.4	3.9	16.7
Service Stations	136,710	196,212	14,570	14,815	-30.3	1.0	-4.6
All Other	73,823	78,473	5,143	6,389	-5.9	-29.8	-26.6
Total	2,911,053	2,769,855	315,142	311,550	5.1	1.3	1.2
ENID MSA							
Food	88,548	88,245	9,585	9,111	0.3	0.4	8.2
Apparel	14,817	14,877	1,612	1,481	-0.4	0.1	0.3
General Merchandise	37,716	42,324	4,193	3,769	-10.9	1.3	-2.8
Furniture	8,751	10,983	929	994	-20.3	-4.7	-6.4
Lumber	14,516	11,536	1,612	1,806	25.8	3.9	-2.2
Auto Dealers	77,384	60,731	8,243	8,207	27.4	3.9	16.7
Service Stations	12,270	17,623	1,308	15,236	-30.4	1.1	E
All Other	27,350	21,385	3,284	3,205	27.9	0.5	-13.3
Total	281,352	267,704	30,766	43,809	5.1	1.5	44.6
LAWTON MSA							
Food	134,923	127,049	15,085	15,236	6.2	-1.0	-2.8
Apparel	15,296	17,555	1,651	1,577	-12.9	-1.3	-89.9
General Merchandise	78,996	85,974	8,950	8,172	-8.1	3.5	-5.6
Furniture	22,775	21,297	2,530	2,196	6.9	-1.4	-12.4
Lumber	18,447	19,570	1,936	1,877	-5.7	-0.7	-11.0
Auto Dealers	103,141	80,940	10,985	10,938	27.4	3.9	16.7
Service Stations	8,365	12,019	892	907	-30.4	1.0	-4.5
All Other	33,264	32,236	3,763	3,550	3.2	-0.9	-3.8
Total	415,207	396,640	45,792	44,453	4.7	1.0	-0.1
MUSKOGEE AREA							
Food	107,407	99,128	12,106	12,612	8.4	8.3	7.1
Apparel	13,819	15,322	1,532	1,410	-9.8	-2.2	-13.3
General Merchandise	29,788	37,646	3,192	2,971	-20.9	2.1	2.6
Furniture	10,459	9,193	1,186	1,072	13.8	2.5	-5.1
Lumber	5,221	4,750	534	576	9.9	-1.7	-12.3
Auto Dealers	65,076	51,062	6,927	6,901	27.4	3.9	16.7
Service Stations	10,753	15,455	1,144	1,164	-30.4	1.1	-4.6
All Other	24,455	17,383	2,522	2,179	40.7	-21.6	-28.9
Total	266,978	249,939	29,143	28,885	6.8	2.0	2.1
STATE[a]							
Durable Goods	4,942,724	4,100,269	516,775	523,662	20.5	-0.3	7.6
Auto Dealers	3,379,112	2,651,479	359,909	358,358	27.4	3.9	16.7
Accessory Dealers	268,861	291,610	28,607	28,152	-7.8	-2.8	-11.7
Total Automotive	3,647,973	2,943,089	388,516	386,510	24.0	3.4	14.0
Furniture	245,907	260,127	25,524	25,008	-5.5	-2.0	-10.8
Household Appliances	191,369	189,579	20,741	20,241	0.9	0.3	-6.7
Total Furniture and Appliances	437,276	449,706	46,265	45,249	-2.8	-1.0	-9.0
Lumber and Building Materials	533,628	432,471	56,905	60,396	23.4	-0.4	-8.9
Hardware Stores	51,496	52,322	5,703	5,400	-1.6	1.5	-7.4
Total Lumber, Building Materials & Hardware	585,124	484,793	62,608	65,796	20.7	-0.2	-8.8
Nondurable Goods	8,739,827	8,297,068	980,281	966,486	5.3	-0.8	-5.8
Apparel	456,465	478,072	48,765	48,215	-4.5	-1.0	0.7
Drug Stores	376,843	308,453	43,617	39,735	22.2	0.6	-8.3
Eating and Drinking Places	1,441,576	1,255,929	164,260	165,589	14.8	0.6	-6.2
Food Group	3,567,837	3,034,879	398,349	411,107	17.6	0.6	-0.7
Service Stations	546,358	784,170	58,246	59,221	-30.3	1.0	-4.6
General Merchandise Group	1,751,522	1,841,360	199,397	180,685	-4.9	-4.6	-16.3
Total Retail Trade	13,682,551	12,397,337	1,497,056	1,490,148	10.4	-0.7	-1.5

[a] Total includes data for categories not shown in the table.

SELECTED ECONOMIC INDICATORS

Category	9 Mos. '86	9 Mos. '85	Sept. '86	Percentage Change 9 Mos. '86/'85	Percentage Change Sept./Aug. '86
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	285,576	323,355	25,758	-11.7	-4.7
Number of Units	4,648	5,372	410	-13.5	-3.1
Residential—Multi Family					
Dollar Value ($000)	72,471	68,538	2,923	5.7	77.4
Number of Units	2,254	2,921	107	-22.8	-55.2
Nonresidential					
Commercial ($000)	124,971	287,897	17,255	-56.6	81.5
Industrial ($000)	18,882	38,604	5,056	-51.1	155.2
Institutional ($000)	49,885	59,684	6,979	-16.4	-26.4
Nonbuilding					
Streets and Highways ($000)	128,120	129,115	18,897	-0.8	-19.9
All Other Nonbuilding ($000)	9,765	10,276	710	-5.0	11.2
Total Construction ($000)	689,669	917,470	77,577	-24.8	8.9
EMPLOYMENT TRENDS					
Total Labor Force (000)[a]	1,599.9	1,574.5	1,604.5	1.6	-0.6
Total Employment (000)	1,465.0	1,461.6	1,473.5	0.2	0.6
Agriculture (000)	47.2	47.2	49.9	0.0	12.9
Nonagriculture (000)	1,417.8	1,414.4	1,423.6	0.2	0.2
Manufacturing (000)	162.5	173.1	158.4	-6.1	1.8
Mining (000)	55.8	67.4	50.0	-17.2	-6.7
Government (000)	249.1	251.3	246.2	-0.9	5.0
Contract Construction (000)	44.2	47.1	44.7	-6.2	-0.9
Services (000)	229.4	225.3	231.3	1.8	0.1
Retail Trade (000)	223.6	220.8	227.7	1.3	0.7
Unemployment Rate (%)	8.4	7.2	8.2	—	—
Average Weekly Hours					
Manufacturing (Per Worker)	41.0	41.1	41.4	-0.2	0.5
Average Weekly Earnings					
Manufacturing ($ Per Worker)	403.01	403.25	398.68	-0.1	1.0
Contract Construction ($ Per Worker)	404.36	415.84	419.99	-2.8	1.0
Retail Trade ($ Per Worker)	189.84	195.64	190.62	-3.0	1.9

Note: Includes revisions in some previous months.
[a] Civilian Labor Force.

MUSKOGEE MA

Category	9 Mos. '86	9 Mos. '85	Sept. '86	Percentage Change 9 Mos. '86/'85	Percentage Change Sept./Aug. '86
Employment (Number)[a]					
Labor Force	33,222	32,309	33,575	2.8	-0.2
Total Employment	30,225	29,044	30,775	4.1	-0.4
Unemployment Rate (%)	9.3	10.1	8.3	—	—
Industrial Power Sales (000 Kwh)	125,279	147,017	14,363	-14.8	-1.4
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	4,929	5,666	691	-13.0	117.2
Number of Units	72	77	10	-6.5	100.0
Residential—Multi Family					
Dollar Value ($000)	3,774	2,001	284	88.6	—
Number of Units	84	74	9	13.5	—
Nonresidential					
Commercial ($000)	2,150	3,308	395	-35.0	154.9
Industrial ($000)	1,502	590	0	154.5	0.0
Institutional ($000)	3,307	2,016	0	64.0	—
Nonbuilding					
Streets and Highways ($000)	319	2,828	0	-88.7	0.0
All Other Nonbuilding ($000)	95	131	14	-27.6	—
Total Construction ($000)	16,077	16,540	1,384	-2.8	-10.8

[a] Includes revisions in some previous months.

ENID AND LAWTON MSAs

Category	9 Mos. '86	9 Mos. '85	Sept. '86	Percentage Change 9 Mos. '86/'85	Percentage Change Sept./Aug. '86
ENID MSA					
Employment (Number)[a]					
Labor Force	31,156	32,058	30,200	-2.8	-2.0
Total Employment	28,600	29,867	27,900	-4.2	-1.1
Manufacturing	1,767	1,950	1,700	-9.4	0.0
Wholesale and Retail Trade	6,578	6,953	6,400	-5.4	-1.5
Unemployment Rate (%)	8.2	6.8	7.6	—	—
Industrial Power Sales (000 Kwh)	352,235	375,738	40,164	-6.3	5.9
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	1,470	4,758	132	-69.1	117.2
Number of Units	21	73	2	-71.2	100.0
Residential—Multi Family					
Dollar Value ($000)	2,000	1,246	0	60.5	0.0
Number of Units	62	23	0	169.6	0.0
Nonresidential					
Commercial ($000)	789	3,090	719	-74.5	
Industrial ($000)	1,587	0	0	—	0.0
Institutional ($000)	0	2,650	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	193	1,081	0	-82.2	0.0
All Other Nonbuilding ($000)	9	80	0	-88.7	
Total Construction ($000)	6,037	12,905	851	-53.2	‡
LAWTON MSA					
Employment (Number)[a]					
Labor Force	47,300	46,803	47,400	1.1	0.4
Total Employment	44,833	44,489	44,900	0.8	0.4
Unemployment Rate (%)	5.2	4.9	5.3	—	—
Industrial Power Sales (000 Kwh)	152,556	132,409	18,121	15.2	39.1
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	17,215	11,415	1,434	50.8	42.2
Number of Units	273	193	21	41.5	36.4
Residential—Multi Family					
Dollar Value ($000)	2,119	3,381	0	-37.3	—
Number of Units	78	133	0	-41.4	—
Nonresidential					
Commercial ($000)	4,774	4,479	265	6.6	73.6
Industrial ($000)	1,108	0	700	—	—
Institutional ($000)	1,638	14,740	0	-88.9	—
Nonbuilding					
Streets and Highways ($000)	2,207	5,453	0	-59.5	—
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	29,060	39,468	2,399	-26.4	-52.7

[a] Includes revisions in some previous months.

‡ = exceeds 400 percent.

OKLAHOMA CITY MSA

Category	9 Mos. '86	9 Mos. '85	Sept. '86	Percentage Change 9 Mos. '86/'85	Percentage Change Sept./Aug. '86
Employment (Number)					
Labor Force	515,678	515,567	511,300	0.0	-1.6
Total Employment	479,778	485,178	476,100	-1.1	-1.1
Agriculture	5,522	5,589	5,800	-1.2	11.5
Nonagriculture	474,256	479,589	470,300	-1.1	-1.0
Manufacturing	49,889	52,811	49,300	-5.5	8.6
Mining	14,378	17,533	13,000	-18.0	-2.3
Government	97,089	96,544	96,300	0.6	6.1
Wholesale and Retail Trade	104,600	109,000	103,200	-4.0	0.2
Unemployment Rate (%)	6.9	5.9	6.9	—	
Average Weekly Earnings					
Manufacturing ($ Per Worker)	435.99	436.83	442.09	-0.2	6.5
Industrial Power Sales (000 Kwh)	926,363	988,180	105,269	-6.3	2.4
Mortgage Loans Closed ($000,000)	250.5	303.3	22.8	-17.4	5.4
Bank Deposits ($000,000)					
Demand Deposits	936	1,084	910	-13.7	1.0
Time and Savings Deposits	2,185	2,672	2,121	-18.2	3.0
Air Transportation					
Passengers Enplaning (Number)	1,110,078	1,113,287	112,207	-0.3	21.3
Passengers Deplaning (Number)	1,129,341	1,126,730	114,241	0.2	21.8
Freight Enplaned (Tons)	5,670	4,240	506	33.7	2.9
Freight Deplaned (Tons)	8,417	15,206	800	-44.6	13.3
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	148,654	174,064	11,929	-14.6	13.5
Number of Units	2,485	2,883	200	-13.8	14.9
Residential—Multi Family					
Dollar Value ($000)	27,368	30,020	1,522	-8.8	213.7
Number of Units	947	1,460	45	-35.1	136.8
Nonresidential					
Commercial ($000)	62,848	128,371	9,933	-51.0	94.0
Industrial ($000)	5,604	13,799	1,208	-59.4	209.7
Institutional ($000)	14,124	16,565	5,183	-14.7	E
Nonbuilding					
Streets and Highways ($000)	38,166	38,009	7,050	0.4	24.8
All Other Nonbuilding ($000)	3,717	4,676	397	-20.5	55.1
Total Construction ($000)	300,480	405,504	37,221	-25.9	41.8
General Business Index	85.1	89.5	83.7	-4.9	1.2

E — [illegible]

[illegible]

[illegible]

[illegible]

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

ABUER
Association for University Business and Economic Research
MEMBER

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

TULSA MSA

Category	9 Mos. '86	9 Mos. '85	Sept. '86	Percentage Change 9 Mos. '86/'85	Percentage Change Sept./Aug. '86
Employment (Number)[a]					
Labor Force	354,500	344,378	355,900	2.9	-2.1
Total Employment	324,189	319,344	325,600	1.5	-1.9
Agriculture	3,667	3,711	3,900	-1.2	14.7
Nonagriculture	320,522	315,633	321,700	1.5	-2.3
Manufacturing	52,344	53,156	51,400	-1.5	-1.4
Mining	19,460	20,511	18,800	-5.1	-1.1
Government	34,300	34,489	33,300	-0.5	-0.3
Wholesale and Retail Trade	74,100	73,200	74,800	1.2	0.0
Unemployment Rate (%)	8.6	7.2	8.5	—	—
Average Weekly Earnings					
Manufacturing ($ Per Worker)	411.12	416.16	406.30	-1.2	-0.8
Industrial Power Sales (000 Kwh)	1,498,025	1,438,303	172,629	4.2	-1.0
Mortgage Loans Closed ($000,000)[b]	233.5	181.1	16.7	28.9	-16.5
Bank Deposits ($000,000)[c]					
Demand Deposits	701	730	671	-4.0	5.5
Time and Savings Deposits	2,026	1,890	1,933	7.2	0.7
Air Transportation					
Passengers Enplaning (Number)	1,031,364	1,087,177	102,917	-5.1	-19.4
Passengers Deplaning (Number)	1,030,898	1,098,013	100,556	-6.1	-21.3
Freight (Tons)	7,628	7,380	577	3.4	-47.3
Water Transportation					
Tulsa Port of Catoosa					
Tons In	384,643	383,250	18,521	0.4	5.0
Tons Out	756,649	682,268	25,877	10.9	-16.2
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	88,318	97,698	8,812	-9.6	12.1
Number of Units	1,425	1,665	136	-14.4	12.4
Residential—Multi Family					
Dollar Value ($000)	32,657	24,514	816	33.2	-93.2
Number of Units	897	787	43	14.0	-79.4
Nonresidential					
Commercial ($000)	37,925	125,317	3,368	-69.7	27.8
Industrial ($000)	7,513	20,273	3,113	-62.9	289.6
Institutional ($000)	17,216	18,863	827	-8.7	-87.0
Nonbuilding					
Streets and Highways ($000)	17,050	21,444	6,489	-20.5	E
All Other Nonbuilding ($000)	4,848	4,183	241	15.9	-28.5
Total Construction	205,527	312,291	23,666	-34.2	-21.1
General Business Index	85.8	90.6	82.8	-5.3	-1.6

[a] Includes revisions in some previous months.
[b] By savings and Loan Associations.
[c] Deposits in large commercial banks.
E = Exceeds 600 percent.

Sources for all tables: Local utilities companies; 10th Federal Reserve District Member Banks; Federal Home Loan Bank of Topeka; Oklahoma Employment Security Commission; United States Department of Commerce, Construction Statistics Division; Oklahoma Department of Transportation, *Progressive Report of the Transportation Director*; Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian Hickey, Research Assistant.

Printed by University Printing Services. Seven hundred copies were prepared and distributed at a total of $500.00. Cost to the taxpayers of the State of Oklahoma: $312.00. December 1986.

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73019. December 1986, volume 54, number 12. Second class postage paid at Norman, Oklahoma 73070. Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73019.

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

2/11/87 U 8130-1 A

OKLAHOMA BUSINESS BULLETIN

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

ISSN 0030-1671

January 1987 VOL. 55, ISSUE 1

SUMMARY OF INDICATORS

Category	10 Mos. '86	10 Mos. '85	Oct. '86	Percentage Change 10 Mos. '86/85	Percentage Change Oct./Sept. '86
Personal Income (Monthly Average)[a]					
Unadjusted ($000,000)	3,434.6	3,347.9	3,490.6	2.6	0.2
Adjusted for CPI ($000,000)	1,046.8	1,040.7	1,055.2	0.6	0.4
Crude Oil Production (000 bbl)[b]	110,600	118,959	10,926	-7.0	-1.9
Industrial Power Sales (000,000 Kwh)[c]	6,755	6,800	649	-0.7	-6.8
Total Bank Deposits (Monthly Average) ($000,000)[d]					
Demand	7,380	7,726	7,183	-4.5	-0.3
Savings	26,417	27,122	25,861	-2.6	-0.1
Savings and Loan Associations ($000,000)					
Assets	10,045.3	9,706.2	10,051.9	3.5	1.3
Mortgage Loans Closed	1,225.9	1,089.9	110.4	12.5	24.2
Employment[a,e]					
Total Labor Force (000)	1,597.5	1,575.1	1,597.9	1.4	1.0
Total Employment (000)	1,463.2	1,462.8	1,470.5	0.1	1.4
Unemployment Rate (%)	8.4	7.1	8.0	—	—
General Business Index	90.9	93.7	92.5	-2.9	0.0

[a] Includes revisions.

[b] 9 months and September data

[c] Sales of larger privately owned utility companies

[d] Total deposits of all depository institutions

[e] Civilian Labor Force

RETAIL TRADE IN SELECTED CITIES
($000)

	Oct. '86		Adjusted			Oct. '86		Adjusted	
City	Adjusted	Unadjusted	'86/'85 10 Mos.	1986 Oct./Sept.	City	Adjusted	Unadjusted	'86/'85 10 Mos.	1986 Oct./Sept.
Ada	14,251	13,978	2.6	-1.1	McAlester	10,317	10,824	1.2	-2.7
Altus	13,178	13,186	11.3	-5.9	Miami	13,232	12,862	31.1	2.0
Alva	4,001	4,025	4.8	-1.7	Midwest City	40,260	40,488	5.5	-1.3
Anadarko	5,660	5,430	8.2	-1.0	Moore	11,763	11,704	3.9	-5.6
Ardmore	18,704	18,659	5.2	-0.7	Muskogee	27,201	27,499	7.1	0.0
Bartlesville	17,242	17,569	-4.4	-1.0	Norman	59,383	62,727	6.3	-1.7
Blackwell	3,256	3,331	-2.1	-1.9	Oklahoma City	246,926	247,916	-0.1	-5.3
Broken Arrow	17,915	18,160	9.6	0.1	Okmulgee	5,986	5,997	10.7	-1.3
Chickasha	9,397	9,513	1.5	-1.1	Pauls Valley	3,597	3,547	-5.4	-2.4
Clinton	5,722	6,006	3.0	-3.6	Pawhuska	1,829	1,813	-0.7	-4.6
Cushing	6,102	5,885	-2.0	-2.7	Ponca City	15,372	15,500	8.8	-4.6
Del City	9,862	9,737	2.7	-0.1	Poteau	4,685	5,109	7.2	-5.2
Duncan	12,763	13,143	2.7	-4.6	Sand Springs	7,879	7,787	11.2	-5.2
Durant	9,169	9,278	9.8	-1.5	Sapulpa	14,558	14,880	1.0	-0.9
Edmond	25,226	25,203	8.9	-1.9	Seminole	7,516	7,937	35.7	5.7
Elk City	7,716	7,840	3.3	-2.1	Shawnee	22,468	22,622	8.1	-0.3
El Reno	8,125	8,186	-3.3	-1.0	Stillwater	19,950	20,382	1.3	-0.6
Guthrie	5,705	5,760	12.4	-0.2	Tahlequah	7,691	7,756	0.4	-0.6
Guymon	5,062	4,975	5.1	-2.2	Tulsa	234,181	239,229	4.7	-0.8
Henryetta	5,152	4,912	4.6	-2.2	Watonga	1,801	1,596	-5.1	-2.3
Hobart	2,470	2,500	3.9	1.1	Weatherford	6,060	5,822	-9.7	-3.6
Holdenville	2,998	3,115	6.9	-1.8	Wewoka	1,170	1,209	-0.9	-3.0
Hugo	3,160	3,142	11.7	-2.2	Woodward	11,538	11,708	2.4	-2.2
Idabel	3,833	3,890	-1.5	-1.1					
Lawton	**44,978**	**44,326**	4.5	-0.1	**Total**	1,037,011	1,048,663	3.8	-2.3

RETAIL TRADE IN METRO AREAS AND STATE
($000)

					Percentage Change		
	10 Mos. '86	10 Mos. '85	Oct. '86		10 Mos. '86/'85	Oct./Sept. '86	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	1,816,927	1,626,195	184,998	161,560	11.7	-1.7	-16.0
Apparel	164,648	185,026	15,700	15,803	-11.0	-0.3	-1.6
General Merchandise	657,549	746,323	60,590	57,272	-11.9	-5.3	-6.0
Furniture	197,005	232,798	16,837	16,319	-15.4	-14.4	-15.9
Lumber	180,720	174,898	17,056	17,661	3.3	1.9	1.8
Auto Dealers	1,480,817	1,199,632	130,534	155,921	23.4	-8.0	8.7
Service Stations	181,345	263,712	15,123	15,658	-31.2	-13.4	-13.2
All Other	622,684	604,614	56,945	54,018	3.0	-3.5	-3.4
Total	5,301,695	5,033,198	497,783	494,212	5.3	-4.8	-5.4
TULSA MSA							
Food	1,125,764	1,021,453	108,651	102,515	10.2	-3.3	-9.0
Apparel	148,794	169,135	14,467	13,776	-12.0	-1.3	1.0
General Merchandise	493,697	593,821	50,044	47,504	-16.9	1.5	3.4
Furniture	194,865	166,320	20,402	20,516	17.2	4.0	11.9
Lumber	159,723	117,810	16,238	16,521	35.6	3.4	1.2
Auto Dealers	861,602	697,953	75,954	90,722	23.4	-8.0	8.7
Service Stations	148,992	216,667	12,425	12,864	-31.2	-13.4	-13.2
All Other	82,816	89,396	8,699	11,846	-7.4	58.3	85.4
Total	3,216,253	3,072,558	306,880	316,264	4.7	0.7	1.5
ENID MSA							
Food	97,255	95,487	8,886	8,735	1.9	-6.5	-4.1
Apparel	16,476	16,451	1,645	1,587	0.1	1.6	7.2
General Merchandise	42,040	47,355	4,270	3,766	-11.2	1.4	-0.1
Furniture	9,750	12,084	995	1,019	-19.3	6.1	2.5
Lumber	16,197	12,721	1,676	1,952	27.3	2.8	8.1
Auto Dealers	84,744	68,662	7,471	8,923	23.4	-8.0	8.7
Service Stations	13,372	19,459	1,115	1,155	-31.4	-13.4	-13.2
All Other	31,110	24,705	3,791	3,219	25.9	13.8	0.4
Total	310,944	296,924	29,849	30,356	4.7	-2.6	1.5
LAWTON MSA							
Food	149,542	139,302	14,881	12,988	7.4	-1.0	-14.8
Apparel	16,931	19,285	1,641	1,627	-12.2	-0.5	3.2
General Merchandise	88,305	95,600	9,160	8,618	-7.6	2.1	5.5
Furniture	25,321	23,695	2,558	2,387	6.9	1.3	8.7
Lumber	20,416	21,621	1,965	2,056	-5.6	0.8	9.5
Auto Dealers	112,950	91,510	9,956	11,893	23.4	-8.0	8.7
Service Stations	9,117	13,272	761	788	-31.3	-13.4	-13.1
All Other	37,543	37,158	4,058	3,994	1.0	7.3	12.5
Total	460,125	441,443	44,980	44,351	4.2	-1.4	-0.2
MUSKOGEE AREA							
Food	119,869	109,221	12,357	11,462	9.7	1.3	-9.1
Apparel	15,398	17,037	1,566	1,399	-9.6	1.9	-0.8
General Merchandise	33,049	41,721	3,206	2,878	-20.8	0.3	-3.1
Furniture	11,661	10,077	1,207	1,205	15.7	1.9	12.4
Lumber	5,746	5,206	531	599	10.4	-1.0	4.0
Auto Dealers	71,261	57,727	6,278	7,503	23.4	-8.0	8.7
Service Stations	11,715	17,059	972	1,011	-31.3	-13.8	-13.1
All Other	26,617	18,540	2,346	2,920	43.6	-3.9	34.0
Total	295,316	276,588	28,463	28,977	6.8	-2.0	0.3
STATE[a]							
Durable Goods	5,429,585	4,608,819	489,130	558,115	17.8	-5.1	6.6
Auto Dealers	3,700,483	2,997,752	326,206	389,641	23.4	-8.0	8.7
Accessory Dealers	296,822	321,760	28,229	27,897	-7.8	-1.2	-0.9
Total Automotive	3,997,305	3,319,512	354,435	417,538	20.4	-7.5	8.0
Furniture	270,936	287,387	25,166	25,409	-5.7	-1.2	1.6
Household Appliances	212,074	209,789	20,717	20,645	1.1	-0.2	2.0
Total Furniture and Appliances	483,010	497,176	45,883	46,054	-2.8	-0.8	2.0
Lumber and Building Materials	591,967	480,962	58,531	61,582	23.1	2.1	2.5
Hardware Stores	57,360	58,446	5,800	5,533	-1.9	1.3	2.5
Total Lumber, Building Materials & Hardware	649,327	539,408	64,331	67,115	20.3	6.4	2.0
Nondurable Goods	9,690,326	9,195,592	958,478	878,414	5.4	-2.0	-9.1
Apparel	504,241	528,220	48,234	47,294	-4.5	-1.1	-1.9
Drug Stores	421,854	345,701	44,614	44,705	22.0	2.1	12.5
Eating and Drinking Places	1,606,818	1,396,690	165,585	166,872	15.0	0.7	0.8
Food Group	3,960,129	3,366,025	398,000	324,405	17.7	-0.1	-21.1
Service Stations	595,470	865,940	49,646	51,423	-31.2	-13.6	-13.2
General Merchandise Group	1,948,643	2,041,075	198,035	186,112	-4.5	-0.4	3.0
Total Retail Trade	15,119,911	13,804,411	958,478	1,436,529	9.5	-3.8	-3.6

[a] Total includes data for categories not shown in the table.

ENID AND LAWTON MSAs
MUSKOGEE MA

Category	10 Mos. '86	10 Mos. '85	Oct. '86	Percentage Change 10 Mos. '86/'85	Percentage Change Oct./Sept. '86
ENID MSA					
Employment (Number)[a]					
Labor Force	31,050	32,038	30,100	-3.1	-0.3
Total Employment	28,722	29,852	27,825	-3.8	-0.3
Unemployment Rate (%)	8.2	6.8	7.7	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	1,585	5,124	125	-69.1	-5.3
Number of Units	22	77	1	-71.4	-50.0
Residential—Multi Family					
Dollar Value ($000)	6,000	1,396	4,000	329.9	—
Number of Units	124	27	62	359.3	—
Nonresidential					
Commercial ($000)	789	3,090	0	-74.5	—
Industrial ($000)	1,587	205	0	E	0.0
Institutional ($000)	0	2,650	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	496	1,350	303	-63.3	—
All Other Nonbuilding ($000)	9	80	0	-88.7	0.0
Total Construction ($000)	10,465	13,895	4,428	-24.7	420.4
LAWTON MSA					
Employment (Number)[a]					
Labor Force	47,255	46,838	46,850	0.9	-1.2
Total Employment	44,798	44,512	44,475	0.6	-1.0
Unemployment Rate (%)	5.2	4.9	5.1	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	18,903	12,316	1,688	53.5	17.7
Number of Units	303	211	30	43.6	42.9
Residential—Multi Family					
Dollar Value ($000)	2,119	3,459	0	-38.8	0.0
Number of Units	78	135	0	-42.2	0.0
Nonresidential					
Commercial ($000)	5,050	4,479	276	12.7	4.2
Industrial ($000)	1,152	0	44	—	-93.7
Institutional ($000)	1,638	14,886	0	-89.0	0.0
Nonbuilding					
Streets and Highways ($000)	4,049	5,729	1,842	-29.3	—
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	32,910	40,869	3,850	-19.5	60.5
MUSKOGEE MA					
Employment (Number)[a]					
Labor Force	33,252	32,308	32,925	2.9	-1.9
Total Employment	30,232	29,065	30,300	4.0	-1.6
Unemployment Rate (%)	9.2	10.0	8.1	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	5,621	6,277	691	-10.5	0.0
Number of Units	82	86	10	-4.7	0.0
Residential—Multi Family					
Dollar Value ($000)	4,038	2,716	264	48.6	-7.1
Number of Units	92	86	8	7.0	-11.1
Nonresidential					
Commercial ($000)	2,806	3,579	656	-21.6	66.1
Industrial ($000)	2,368	1,342	866	76.5	—
Institutional ($000)	4,975	2,016	1,669	146.8	—
Nonbuilding					
Streets and Highways ($000)	319	2,828	0	-88.7	0.0
All Other Nonbuilding ($000)	109	140	14	-22.6	0.0
Total Construction ($000)	20,236	18,898	4,160	7.1	200.5

E = Exceeds 600 percent

[a] Includes revisions in some previous months

Sources for all tables: Local utilities companies; 10th Federal Reserve District Member Banks; Federal Home Loan Bank of Topeka; Oklahoma Employment Security Commission; United States Department of Commerce, Construction Statistics Division; Oklahoma Department of Transportation, *Progressive Report of the Transportation Director*; Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian M. Hickey, Research Assistant.

Printed by University Printing Services. Seven hundred copies were prepared and distributed at a total of $500.00. Cost to the taxpayers of the State of Oklahoma: $312.00. January 1987.

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73069. January 1987, volume 55, number 1. ISSN 0030-1671. Second class postage paid at Norman, Oklahoma 73070. Subscription price per year is $10.00 Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73069. NOTE: Beginning January 1987 articles formerly published in *Review of Regional Economics and Business* will be incorporated into the March and September issues of the *Oklahoma Business Bulletin*.

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

Association for University Business and Economic Research
ABUER
MEMBER

OKLAHOMA CITY AND TULSA MSAs

Category	10 Mos. '86	10 Mos. '85	Oct. '86	Percentage Change 10 Mos. '86/'85	Percentage Change Oct./Sept. '86
OKLAHOMA CITY MSA					
Employment (Number)[a]					
Labor Force	514,310	515,580	509,000	-0.2	1.1
Total Employment	478,630	485,400	476,300	-1.4	1.8
Unemployment Rate (%)	6.9	5.8	6.6	—	—
Mortgage Loans Closed ($000,000)[b]	275.6	331.1	25.1	-16.8	10.1
Bank Deposits ($000,000)[c]					
Demand Deposits	934	1,076	913	-13.2	0.3
Time and Savings Deposits	2,181	2,659	2,145	-18.0	1.1
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	163,232	189,706	14,523	-14.0	22.7
Number of Units	2,722	3,150	239	-13.6	20.7
Residential—Multi Family					
Dollar Value ($000)	28,441	30,959	1,073	-8.1	-29.5
Number of Units	980	1,498	33	-34.6	-26.7
Nonresidential					
Commercial ($000)	73,845	136,106	10,258	-45.7	-3.9
Industrial ($000)	5,024	14,414	178	-65.1	-60.5
Institutional ($000)	14,075	17,570	1,865	-19.9	-42.9
Nonbuilding					
Streets and Highways ($000)	39,296	42,119	1,131	-6.7	-84.0
All Other Nonbuilding ($000)	3,926	5,148	367	-23.7	53.9
Total Construction ($000)	327,840	436,021	29,395	-24.8	-16.1
General Business Index	84.7	89.2	81.2	-5.0	-2.9
TULSA MSA					
Employment (Number)[a]					
Labor Force	354,330	344,510	356,100	2.8	1.0
Total Employment	324,040	319,590	326,200	1.4	1.3
Unemployment Rate (%)	8.4	7.2	8.4	—	—
Mortgage Loans Closed ($000,000)[b]	260.4	201.8	28.7	29.0	-24.7
Bank Deposits ($000,000)[c]					
Demand Deposits	698	726	674	-3.9	0.4
Time and Savings Deposits	2,018	1,904	1,952	6.0	1.0
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	97,956	106,051	9,650	-7.6	9.6
Number of Units	1,570	1,815	145	-13.5	6.6
Residential—Multi Family					
Dollar Value ($000)	32,892	24,597	235	33.7	-71.2
Number of Units	901	792	4	13.8	-90.7
Nonresidential					
Commercial ($000)	45,717	142,517	7,792	-67.9	131.4
Industrial ($000)	9,728	20,604	2,215	-52.8	-28.8
Institutional ($000)	24,484	20,128	5,868	21.6	163.5
Nonbuilding					
Streets and Highways ($000)	18,490	21,893	1,440	-15.5	-77.8
All Other Nonbuilding ($000)	5,401	4,413	553	22.4	129.6
Total Construction ($000)	234,668	340,203	27,753	-31.0	10.8
General Business Index	85.7	90.4	84.1	-5.3	1.6

[a] Includes revisions in some previous months

[c] Total deposits in the Large Commercial Banks

[b] By Savings and Loan Associations

CONSTRUCTION, STATE

Category	10 Mos. '86	10 Mos. '85	Oct. '86	Percentage Change 10 Mos. '86/'85	Percentage Change Oct./Sept. '86
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	314,600	353,444	29,164	-11.0	14.3
Number of Units	5,108	5,870	467	-13.0	15.3
Residential—Multi Family					
Dollar Value ($000)	78,255	71,482	5,769	9.5	96.4
Number of Units	2,363	3,014	112	-21.6	7.7
Nonresidential					
Commercial ($000)	146,118	314,061	20,408	-53.5	13.4
Industrial ($000)	21,570	40,586	3,445	-46.9	-19.9
Institutional ($000)	58,872	62,470	9,502	-5.8	47.0
Nonbuilding					
Streets and Highways ($000)	140,561	138,152	12,442	1.7	-34.2
All Other Nonbuilding ($000)	10,581	11,025	974	-4.0	76.5
Total Construction ($000)	770,558	991,220	81,703	-22.3	6.6

[a] Includes revisions.

U8130-1A

OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

ISSN 0030-1671

February 1987

VOL. 55, ISSUE 2

SUMMARY OF INDICATORS

Category	11 Mos. '86	11 Mos. '85	Nov. '86	Percentage Change 11 Mos. '86/85	Percentage Change Nov./Oct. '86
Personal Income (Monthly Average)[a]					
Unadjusted ($000,000)	3,391	3,355	3,394	1.1	0.2
Adjusted for CPI ($000,000)	1,033.5	1,042.9	1,026.0	-0.9	0.0
Crude Oil Production (000 bbl)[b]	122,265	132,952	11,664	-8.0	6.8
Industrial Power Sales (000,000 Kwh)[c]	7,405	7,487	650	-1.0	0.2
Total Bank Deposits (Monthly Average) ($000,000)[d]					
Demand	7,368	7,726	7,245	-4.6	0.9
Savings	26,327	27,148	25,424	-3.0	-1.7
Savings and Loan Associations ($000,000)					
Assets	10,042.8	9,722.0	10,018.1	3.3	-0.3
Mortgage Loans Closed	1,301.1	1,178.8	75.2	10.4	-31.9
Employment[a,e]					
Total Labor Force (000)	1,597.2	1,574.4	1,594.1	1.4	-0.2
Total Employment (000)	1,463.9	1,462.3	1,470.4	0.1	0.0
Unemployment Rate (%)	8.3	7.1	7.6	—	—
General Business Index	91.1	93.5	92.6	-2.6	0.1

[a] Includes revisions.

[b] 10 months and October data.

[c] Sales of larger privately owned utility companies.

[d] Total deposits of all depository institutions.

[e] Civilian Labor Force.

RETAIL TRADE IN SELECTED CITIES
($000)

City	Nov. '86 Adjusted	Nov. '86 Unadjusted	Adjusted '86/'85 11 Mos.	Adjusted 1986 Nov./Oct.
Ada	15,066	14,899	3.0	5.0
Altus	14,143	14,476	11.1	6.2
Alva	4,200	4,135	5.4	4.1
Anadarko	5,963	5,710	9.3	4.9
Ardmore	19,749	19,712	5.2	4.9
Bartlesville	17,833	17,933	-5.1	3.6
Blackwell	3,470	3,543	-1.7	5.7
Broken Arrow	19,280	18,669	9.5	6.6
Chickasha	9,866	10,004	1.6	4.4
Clinton	6,149	6,417	3.3	6.3
Cushing	6,290	6,087	-1.7	2.7
Del City	10,280	10,001	2.8	3.6
Duncan	13,621	13,760	2.6	5.0
Durant	9,740	9,711	10.1	5.4
Edmond	27,025	25,667	9.3	6.3
Elk City	8,231	8,088	3.5	5.7
El Reno	8,269	8,539	-3.4	1.2
Guthrie	6,029	5,816	12.6	4.9
Guymon	5,254	5,186	5.3	3.4
Henryetta	5,413	5,182	5.2	4.2
Hobart	2,588	2,671	3.5	4.2
Holdenville	3,249	3,395	6.7	6.4
Hugo	3,446	3,350	11.6	7.7
Idabel	4,073	4,084	-1.5	5.1
Lawton	44,830	44,488	3.5	-0.5
McAlester	10,916	11,087	1.0	4.5
Miami	13,559	13,065	30.7	1.9
Midwest City	41,435	39,868	4.5	2.5
Moore	12,098	11,953	3.7	2.8
Muskogee	28,910	28,954	7.4	5.5
Norman	65,303	65,748	6.2	7.9
Oklahoma City	259,584	260,153	-0.5	4.6
Okmulgee	6,322	6,421	10.7	4.9
Pauls Valley	3,736	3,667	-5.4	3.1
Pawhuska	1,882	1,806	-0.2	2.4
Ponca City	16,266	16,301	8.6	5.2
Poteau	5,230	5,505	7.2	8.8
Sand Springs	8,492	8,203	11.3	7.4
Sapulpa	15,036	15,651	1.3	2.7
Seminole	7,626	7,715	33.7	0.7
Shawnee	23,481	23,557	8.1	4.0
Stillwater	20,885	20,674	1.4	4.0
Tahlequah	7,922	7,867	0.8	2.6
Tulsa	239,426	243,477	4.6	1.8
Watonga	1,746	1,724	-3.6	-2.6
Weatherford	6,362	6,378	-9.2	4.3
Wewoka	1,245	1,250	-1.0	5.8
Woodward	12,307	12,448	2.7	5.8
Total	1,083,826	1,084,995	3.6	3.9

RETAIL TRADE IN METRO AREAS AND STATE
($000)

					Percentage Change		
	11 Mos. '86	11 Mos. '85	Nov. '86		11 Mos. '86/'85	Nov./Oct. '86	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	2,004,601	1,793,724	187,881	174,355	11.8	1.5	7.9
Apparel	180,183	202,088	15,685	16,652	-10.8	-0.2	5.4
General Merchandise	720,354	818,375	62,489	64,273	-12.0	2.9	12.2
Furniture	213,341	254,017	16,572	16,611	-16.0	-1.6	1.8
Lumber	195,995	188,716	15,729	14,835	3.9	-7.1	-16.0
Auto Dealers	1,638,453	1,338,821	152,850	174,068	22.4	11.2	11.6
Service Stations	196,206	286,476	14,799	14,480	-31.5	-1.1	-7.5
All Other	672,606	669,487	52,732	45,086	0.5	-5.5	-16.5
Total	5,821,739	5,551,704	518,737	520,360	4.9	3.0	5.3
TULSA MSA							
Food	1,234,218	1,116,653	111,579	109,655	10.5	2.5	7.0
Apparel	163,297	185,595	14,528	15,752	-12.0	0.4	14.3
General Merchandise	542,884	652,113	48,918	48,583	-16.8	-2.2	2.3
Furniture	214,322	181,857	19,742	18,418	17.9	-2.8	-10.2
Lumber	175,377	129,284	15,841	13,941	35.7	-2.5	-15.6
Auto Dealers	953,324	778,941	88,939	101,281	22.4	11.2	11.6
Service Stations	161,201	235,370	12,158	11,896	-31.5	-1.1	-7.5
All Other	90,182	100,227	5,774	4,681	-10.0	-31.8	-60.5
Total	3,534,805	3,380,040	317,479	324,207	4.6	2.2	2.5
ENID MSA							
Food	106,660	104,409	9,255	9,145	2.2	3.7	4.7
Apparel	18,092	17,951	1,633	1,570	0.8	-1.1	-1.1
General Merchandise	46,083	51,740	4,089	4,155	-10.9	-3.7	10.3
Furniture	10,819	13,122	1,050	1,024	-17.6	4.7	0.5
Lumber	17,799	13,888	1,629	1,688	28.2	-2.6	-13.5
Auto Dealers	93,765	76,627	8,748	9,962	22.4	11.2	11.6
Service Stations	14,469	21,138	1,092	1,068	-31.5	-1.1	-7.5
All Other	34,603	27,309	3,594	3,595	26.7	-4.1	11.7
Total	342,290	326,184	31,090	32,207	4.9	2.9	6.1
LAWTON MSA							
Food	164,702	153,162	15,156	14,007	7.5	1.3	7.8
Apparel	18,503	20,911	1,603	1,624	-11.5	-2.1	-0.2
General Merchandise	97,505	105,879	9,123	9,371	-7.9	-0.4	8.7
Furniture	27,880	26,194	2,531	2,457	6.4	-0.7	2.9
Lumber	22,374	23,656	1,956	1,881	-5.4	-0.7	-8.5
Auto Dealers	124,974	102,128	11,659	13,277	22.4	11.2	11.6
Service Stations	9,865	14,418	745	729	-31.6	-1.1	-7.5
All Other	41,506	42,235	3,925	3,744	-1.7	-2.2	-6.3
Total	507,309	488,583	46,698	47,090	3.8	2.6	6.2
MUSKOGEE AREA							
Food	131,856	118,737	12,041	11,714	11.0	-2.6	2.2
Apparel	16,859	18,607	1,508	1,376	-9.4	-5.0	-1.6
General Merchandise	36,400	46,131	3,268	3,355	-21.1	1.3	16.6
Furniture	12,874	11,113	1,221	1,170	15.8	1.2	-2.9
Lumber	6,262	5,640	520	508	11.0	-2.1	-15.2
Auto Dealers	78,846	64,425	7,358	8,376	22.4	11.3	11.6
Service Stations	12,675	18,531	954	935	-31.6	-1.0	-7.5
All Other	29,616	20,888	2,933	2,806	41.8	24.9	-3.9
Total	325,388	304,072	29,803	30,240	7.0	3.4	4.4
STATE[a]							
Durable Goods	5,999,065	5,119,550	553,069	598,420	17.2	10.6	7.2
Auto Dealers	4,094,405	3,345,572	381,967	434,990	22.4	11.2	11.6
Accessory Dealers	324,567	351,570	27,997	26,518	-7.7	-0.8	-4.9
Total Automotive	4,418,972	3,697,142	409,964	461,508	19.5	10.3	10.5
Furniture	295,457	313,898	24,684	24,533	-5.9	-1.8	-3.4
Household Appliances	232,480	230,793	20,446	20,582	0.7	-1.2	-0.3
Total Furniture and Appliances	527,937	544,691	45,130	45,115	-3.1	-1.5	-2.0
Lumber and Building Materials	646,955	525,055	56,170	52,572	23.2	-3.9	-14.6
Hardware Stores	63,024	64,122	5,677	5,272	-1.7	-2.1	-4.7
Total Lumber, Building Materials & Hardware	709,979	589,177	61,847	57,844	20.5	-3.8	-13.8
Nondurable Goods	10,644,981	10,102,853	962,867	926,436	5.4	0.4	5.5
Apparel	552,256	579,561	48,248	50,980	-4.7	0.0	7.8
Drug Stores	466,366	381,847	44,529	44,819	22.1	-0.1	0.3
Eating and Drinking Places	1,774,511	1,541,853	167,528	156,702	15.1	1.0	-6.1
Food Group	4,336,346	3,708,237	384,459	353,115	16.9	-2.9	8.9
Service Stations	644,284	940,692	48,578	47,555	-31.5	-1.1	-7.5
General Merchandise Group	2,141,921	2,227,422	195,620	213,351	-3.8	-0.8	14.6
Total Retail Trade	16,644,046	15,222,403	1,515,936	1,524,856	9.3	3.9	6.1

[a] Total includes data for categories not shown in the table.

ENID AND LAWTON MSAs
MUSKOGEE MA

				Percentage Change	
Category	11 Mos. '86	11 Mos. '85	Nov. '86	11 Mos. '86/'85	Nov./Oct. '86
ENID MSA					
Employment (Number)[a]					
Labor Force	30,950	31,964	30,100	-3.2	-0.8
Total Employment	28,432	29,784	27,805	-4.5	-0.8
Unemployment Rate (%)	8.1	6.8	7.6	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	1,710	5,555	125	-69.2	0.0
Number of Units	23	84	1	-72.6	0.0
Residential—Multi Family					
Dollar Value ($000)	6,000	1,396	0	329.9	—
Number of Units	124	27	0	359.3	—
Nonresidential					
Commercial ($000)	789	3,470	0	-77.3	0.0
Industrial ($000)	1,587	205	0	E	0.0
Institutional ($000)	0	2,650	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	2,958	1,546	2,462	91.3	E
All Other Nonbuilding ($000)	9	80	0	-88.7	0.0
Total Construction ($000)	13,053	14,902	2,587	-12.4	-41.6
LAWTON MSA					
Employment (Number)[a]					
Labor Force	47,232	46,830	47,325	0.9	0.2
Total Employment	44,843	44,500	44,975	0.8	0.4
Unemployment Rate (%)	5.2	5.0	5.0	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	20,128	12,852	1,225	56.6	-27.4
Number of Units	317	220	14	44.1	-53.3
Residential—Multi Family					
Dollar Value ($000)	2,119	3,830	0	-44.7	0.0
Number of Units	78	147	0	-46.9	0.0
Nonresidential					
Commercial ($000)	5,394	4,573	344	17.9	24.6
Industrial ($000)	1,232	0	80	—	81.8
Institutional ($000)	1,638	14,886	0	-89.0	0.0
Nonbuilding					
Streets and Highways ($000)	8,525	5,729	4,476	48.8	142.9
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	39,035	41,870	6,125	-6.8	59.1
MUSKOGEE MA					
Employment (Number)[a]					
Labor Force	33,264	32,298	33,225	3.0	0.8
Total Employment	30,257	29,066	30,400	4.1	0.0
Unemployment Rate (%)	9.1	10.0	8.4	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	6,036	6,685	415	-9.7	-40.0
Number of Units	88	92	6	-4.3	-40.0
Residential—Multi Family					
Dollar Value ($000)	4,270	3,014	232	41.7	-12.0
Number of Units	99	91	7	8.8	-12.5
Nonresidential					
Commercial ($000)	2,956	3,903	150	-24.3	-77.2
Industrial ($000)	2,368	2,093	0	13.2	—
Institutional ($000)	4,975	2,016	0	146.8	—
Nonbuilding					
Streets and Highways ($000)	319	2,828	0	-88.7	0.0
All Other Nonbuilding ($000)	109	150	0	-27.5	—
Total Construction ($000)	21,033	20,689	797	1.7	-80.8

E = Exceeds 600 percent.

[a] Includes revisions in some previous months.

Sources for all tables: Local utilities companies; 10th Federal Reserve District Member Banks; Federal Home Loan Bank of Topeka; Oklahoma Employment Security Commission; United States Department of Commerce, Construction Statistics Division; Oklahoma Department of Transportation, *Progressive Report of the Transportation Director;* Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian M. Hickey, Research Assistant.

Printed by University Printing Services. Seven hundred copies were prepared and distributed at a total of $500.00. Cost to the taxpayers of the State of Oklahoma: $312.00. February 1987.

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73069. February 1987, volume 55, number 2, ISSN 0030-1671. Second class postage paid at Norman, Oklahoma 73070. Subscription price per year is $10.00 Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73069. NOTE: Beginning January 1987 articles formerly published in *Review of Regional Economics and Business* will be incorporated into the March and September issues of the *Oklahoma Business Bulletin*.

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

OKLAHOMA CITY AND TULSA MSAs

Category	11 Mos. '86	11 Mos. '85	Nov. '86	Percentage Change 11 Mos.'86/'85	 Nov./Oct. '86
OKLAHOMA CITY MSA					
Employment (Number)[a]					
Labor Force	514,073	515,382	511,700	-0.3	0.4
Total Employment	478,654	485,218	478,900	-1.4	0.5
Unemployment Rate (%)	6.8	5.8	6.4	—	—
Mortgage Loans Closed ($000,000)[b]	293.9	360.9	18.3	-18.6	-27.1
Bank Deposits ($000,000)[c]					
Demand Deposits	926	1,072	852	-13.6	-6.7
Time and Savings Deposits	2,148	2,632	1,814	-18.4	-15.4
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	171,956	200,672	8,723	-14.3	-39.9
Number of Units	2,866	3,307	144	-13.3	-39.7
Residential—Multi Family					
Dollar Value ($000)	28,441	31,315	0	-9.2	—
Number of Units	980	1,515	0	-35.3	—
Nonresidential					
Commercial ($000)	83,163	139,824	9,318	-40.5	-9.2
Industrial ($000)	6,384	14,816	1,360	-56.9	E
Institutional ($000)	14,775	18,094	700	-18.3	-62.5
Nonbuilding					
Streets and Highways ($000)	44,997	49,985	5,701	-10.0	404.1
All Other Nonbuilding ($000)	4,257	5,560	331	-23.4	-9.7
Total Construction ($000)	353,973	460,266	26,133	-23.1	-11.1
General Business Index	84.5	89.0	82.6	-5.1	1.7
TULSA MSA					
Employment (Number)[a]					
Labor Force	354,527	344,445	356,500	2.9	0.1
Total Employment	324,391	319,473	327,900	1.5	0.5
Unemployment Rate (%)	8.5	7.2	8.0	—	—
Mortgage Loans Closed ($000,000)[b]	277.2	222.5	16.8	24.6	-37.6
Bank Deposits ($000,000)[c]					
Demand Deposits	699	724	704	-3.5	4.5
Time and Savings Deposits	2,018	1,923	2,009	4.9	2.9
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	104,124	111,278	6,168	-6.4	-36.1
Number of Units	1,661	1,900	91	-12.6	-37.2
Residential—Multi Family					
Dollar Value ($000)	32,892	26,382	0	24.7	—
Number of Units	901	862	0	4.5	—
Nonresidential					
Commercial ($000)	49,593	151,514	3,876	-67.3	-50.3
Industrial ($000)	9,900	30,925	172	-68.0	-92.2
Institutional ($000)	24,623	21,576	140	14.1	-97.6
Nonbuilding					
Streets and Highways ($000)	18,490	23,877	0	-22.6	—
All Other Nonbuilding ($000)	5,569	4,596	168	21.2	-69.7
Total Construction ($000)	245,192	370,148	10,524	-33.8	-62.1
General Business Index	85.6	90.3	84.9	-5.2	0.9

E = Exceeds 600 percent.

[a] Includes revisions in some previous months.

[b] By Savings and Loan Associations.

[c] Total deposits in the large commercial banks.

CONSTRUCTION, STATE

Category	11 Mos. '86	11 Mos. '85	Nov. '86	Percentage Change 11 Mos. '86/'85	 Nov./Oct. '86
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	332,983	372,290	18,382	-10.6	-37.0
Number of Units	5,393	6,160	285	-12.5	-39.0
Residential—Multi Family					
Dollar Value ($000)	78,684	74,809	429	5.2	-92.6
Number of Units	2,375	3,141	12	-24.4	-89.3
Nonresidential					
Commercial ($000)	162,148	333,114	16,030	-51.3	-21.5
Industrial ($000)	24,264	54,442	2,694	-55.4	-21.8
Institutional ($000)	59,854	64,606	982	-7.4	-89.7
Nonbuilding					
Streets and Highways ($000)	172,895	153,321	32,334	12.8	159.9
All Other Nonbuilding ($000)	11,120	12,177	539	-8.7	-44.7
Total Construction ($000)	841,948	1,064,759	71,390	-20.9	-12.6

[a] Includes revisions.

4/28/87 U8130-1A

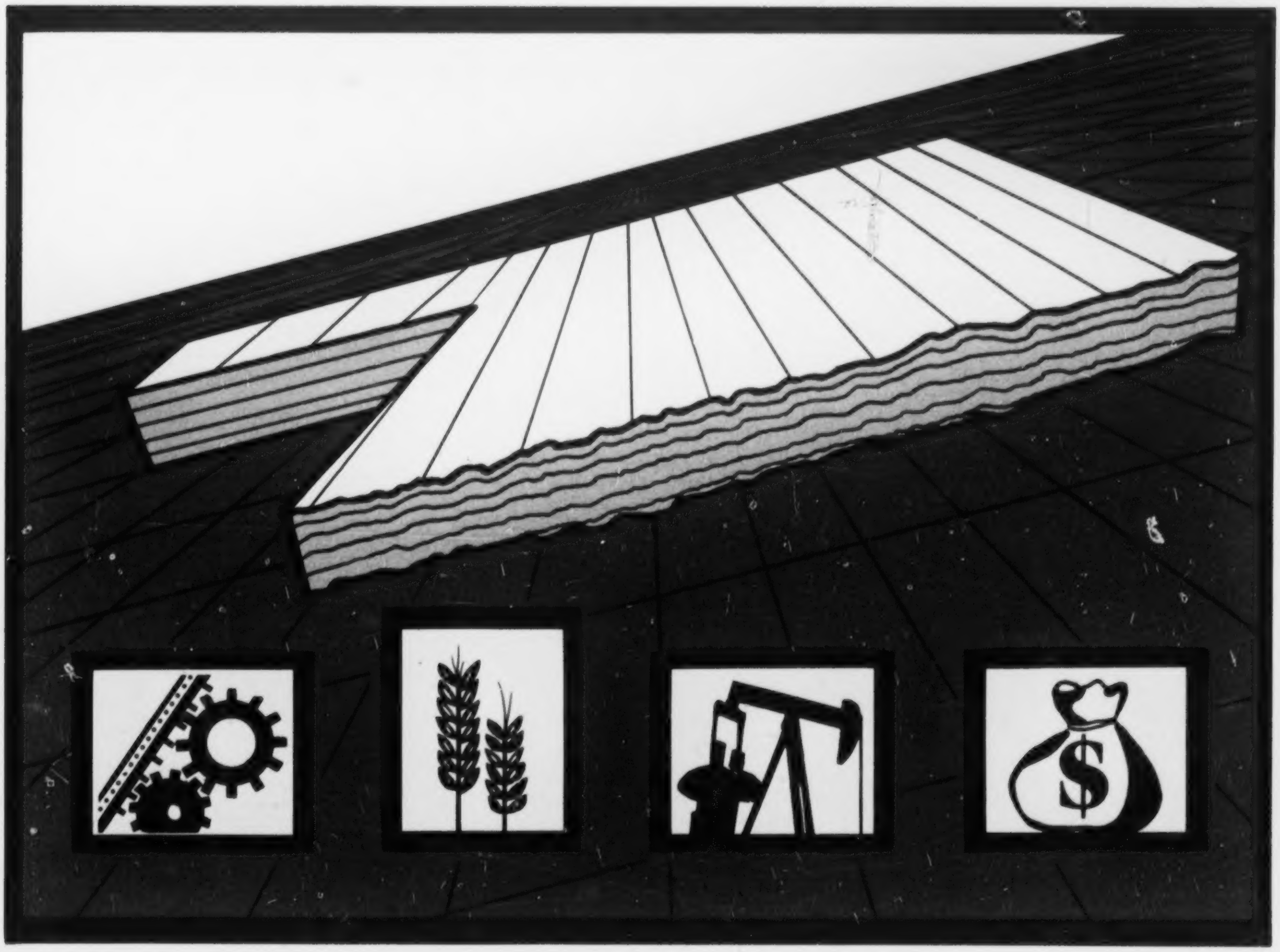
OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA

ISSN 0030-1671

March 1987

VOL. 55, ISSUE 3



Beginning with this issue, the *Oklahoma Business Bulletin* will be combined with the *Review of Regional Economics and Business*. There will now be four quarterly expanded editions of the *Bulletin* which will contain both articles and the usual statistical information on Oklahoma and its major centers. The remaining eight monthly issues of the *Bulletin* will contain only the statistical summaries, although articles on timely subjects might also appear in these inter-quarterly issues. The combination of these two publications will provide a more thorough examination of economic problems prevalent in Oklahoma as well as continuing to provide economic data which has long been presented in the *Oklahoma Business Bulletin*.

This new publication change at the Center has been assisted by funding provided by the Robert S. and Grayce B. Kerr Foundation Inc., for which the Center is most grateful.

We at the Center are most hopeful that the Oklahoma oriented articles will assist State leaders and citizens in their efforts to solve the economic problems now facing the State.

George W. England
Director

The *Oklahoma Business Bulletin* is published monthly. Subscription rates: one year, $10.00; two years, $16.00; three years, $22.00. Third class postage paid at Norman, Oklahoma.

The Editorial Review Board welcomes original manuscripts, studies, and research reports from persons in both the public and private sector in any area of economics and business administration. The editorial policy of the *Bulletin* promotes a free exchange of ideas and analyses. Accordingly, the contents do not necessarily reflect the views of the editor or the publisher.

Manuscripts for consideration should be typed, double-spaced, and submitted in duplicate. Each submitted manuscript is reviewed by at least two members of the Editorial Review Board and a decision is usually reached in four to six weeks.

Address all manuscripts and correspondence to:

Oklahoma Business Bulletin
Center for Economic and Management Research
307 West Brooks, Room 4
Norman, Oklahoma 73019

ISSN 0145-3971

PUBLICATIONS STAFF

Director	GEORGE W. ENGLAND
Associate Director	NEIL J. DIKEMAN, JR
Editor	ALICE WATKINS
Typesetter	PAT WICKHAM
Graphics	ROY YEOW
Copyreader	MARILYN CAIN

EDITORIAL REVIEW BOARD

CLYDE C. COLE President, Tulsa Chamber of Commerce, Tulsa, Oklahoma.

JAMES A. CONSTANTIN David Ross Boyd Professor Emeritus, College of Business Administration, University of Oklahoma, Norman, Oklahoma.

JAMES E. HIBDON Professor of Economics, University of Oklahoma, Norman, Oklahoma.

H.E. RAINBOLT Chairman of the Board, Federal National Bank & Trust Company, Shawnee, Oklahoma.

ROBERT L. SANDMEYER Dean, College of Business Administration, Oklahoma State University, Stillwater, Oklahoma.

WILLIS J. WHEAT Executive Vice President, Liberty National Bank & Trust Company, Oklahoma City, Oklahoma.

DANIEL A. WREN Professor of Management, University of Oklahoma, Norman, Oklahoma.

The *Oklahoma Business Bulletin* is published by the Center for Economic and Management Research, College of Business Administration, The University of Oklahoma.

©1987 by the Center for Economic and Management Research. Printed in the United States of America.

SUMMARY OF INDICATORS

				Percentage Change	
Category	12 Mos. '86	12 Mos. '85	Dec. '86	12 Mos. '86/'85	Dec./Nov. '86
Personal Income (Monthly Average)[a]					
Unadjusted ($000,000)	3,393.7	3,365.0	3,421.4	0.8	0.8
Adjusted for CPI ($000,000)	1,033.4	1,044.4	1,027.1	-1.0	0.0
Crude Oil Production (000 bbl)	143,197	162,739	10,197	-12.0	-3.9
Industrial Power Sales (000,000 Kwh)[b]	8,069	8,157	664	-1.1	2.2
Total Bank Deposits ($000,000)[c]					
Demand	7,384	7,731	7,554	-4.5	4.3
Savings	26,257	27,167	25,494	-3.4	0.3
Savings and Loan Associations ($000,000)					
Assets	10,047.2	9,739.2	10,095.4	3.2	0.8
New Mortgage Loans	1,399.7	1,314.2	98.6	6.5	31.1
General Business Index	91.1	93.4	91.1	-2.5	-1.6

[a] Includes revisions.
[b] Sales of larger privately owned utility companies.
[c] Total deposits of all depository institutions.

SELECTED ECONOMIC INDICATORS

				Percentage Change	
Category	12 Mos. '86	12 Mos. '85	Dec. '86	12 Mos. '86/'85	Dec./Nov. '86
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	362,024	390,841	21,188	-7.4	7.6
Number of Units	5,811	6,485	324	-10.4	14.1
Residential—Multi Family					
Dollar Value ($000)	79,584	78,022	900	2.0	109.8
Number of Units	2,407	3,265	32	-26.3	166.7
Nonresidential					
Commercial ($000)	168,658	358,142	11,976	-52.9	-22.5
Industrial ($000)	28,600	57,769	5,483	-50.5	257.4
Institutional ($000)	62,727	69,071	881	-9.2	-18.1
Nonbuilding					
Streets and Highways ($000)	182,057	164,952	9,162	10.4	-71.7
All Other Nonbuilding ($000)	11,126	12,717	291	-12.5	-26.9
Total Construction ($000)	894,777	1,131,515	49,880	-20.9	-29.7
EMPLOYMENT TRENDS					
Total Labor Force (000)[a]	1,593.0	1,573.0	1,583.1	1.3	-0.6
Total Employment (000)	1,462.0	1,461.0	1,457.8	0.0	-0.4
Agriculture (000)	41.1	46.9	32.7	-10.4	-12.4
Nonagriculture (000)	1,420.9	1,414.1	1,425.1	0.5	-0.2
Manufacturing (000)	162.8	171.4	159.5	-5.0	-0.1
Mining (000)	55.1	65.4	53.1	-15.7	0.0
Government (000)	251.2	254.4	256.1	-1.9	-1.0
Contract Construction (000)	40.0	45.1	39.7	-11.3	-1.2
Services (000)	224.5	222.9	224.7	0.7	0.4
Retail Trade (000)	217.1	220.2	223.3	-1.4	1.6
Unemployment Rate (%)	8.3	7.1	7.9	—	—
Average Weekly Hours					
Manufacturing (Per Worker)	41.3	41.3	41.9	0.0	0.5
Average Weekly Earnings					
Manufacturing ($ Per Worker)	404.74	407.22	414.39	-0.6	1.8
Contract Construction ($ Per Worker)	408.01	408.74	428.43	-0.2	7.8
Retail Trade Excluding Eating and Drinking Places($ Per Worker)	188.79	194.69	190.34	-3.0	3.8

Note: Includes revisions.
[a] Civilian Labor Force.

RETAIL TRADE IN METRO AREAS AND STATE
($000)

					Percentage Change		
	12 Mos. '86	12 Mos. '85	Dec. '86		12 Mos. '86/'85	Dec./Nov. '86	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	2,197,331	1,962,331	191,561	198,660	12.0	1.9	13.9
Apparel	195,756	219,197	15,635	26,508	-10.7	-0.3	59.2
General Merchandise	782,905	887,622	61,845	105,562	-11.8	-1.2	64.2
Furniture	229,814	274,866	16,439	20,119	-16.4	-0.6	21.1
Lumber	212,400	205,449	16,550	12,052	3.4	6.0	-18.8
Auto Dealers	1,814,976	1,496,819	170,566	143,771	21.3	8.8	-17.4
Service Stations	211,784	312,692	15,460	15,771	-32.3	4.0	8.9
All Other	738,640	742,838	64,862	82,805	-0.6	18.0	83.7
Total	6,383,606	6,101,814	552,918	605,248	4.6	5.3	16.3
TULSA MSA							
Food	1,347,265	1,221,946	113,504	123,817	10.3	1.6	12.9
Apparel	177,859	201,558	14,431	24,892	-11.8	-0.5	58.0
General Merchandise	594,510	715,504	50,961	74,910	-16.9	3.8	54.2
Furniture	234,549	198,755	20,114	24,549	18.0	1.8	33.3
Lumber	191,640	141,912	16,355	12,754	35.0	3.3	-8.5
Auto Dealers	1,056,036	870,872	99,246	83,653	21.3	8.8	-17.4
Service Stations	173,998	256,908	12,701	12,956	-32.3	4.0	8.9
All Other	102,548	117,374	6,623	11,713	-12.6	-3.8	150.2
Total	3,878,405	3,724,829	333,935	369,244	4.1	3.9	13.9
ENID MSA							
Food	116,453	113,709	9,632	10,205	2.4	2.5	11.6
Apparel	19,656	19,385	1,626	2,396	1.4	-0.2	52.6
General Merchandise	49,826	56,151	3,887	6,520	-11.3	-4.0	56.9
Furniture	11,817	14,075	1,020	1,160	-16.0	-2.7	13.3
Lumber	19,443	15,157	1,695	1,137	28.3	3.5	-32.6
Auto Dealers	103,867	85,668	9,761	8,228	21.2	8.8	-17.4
Service Stations	15,618	23,072	1,141	1,163	-32.3	4.1	8.9
All Other	38,358	31,305	3,624	4,810	22.5	2.8	33.8
Total	375,038	358,522	32,386	35,619	4.6	3.3	10.5
LAWTON MSA							
Food	179,893	166,545	15,246	15,380	8.0	0.4	9.8
Apparel	19,954	22,587	1,529	2,555	-11.7	-4.0	57.3
General Merchandise	107,437	117,693	9,772	14,704	-8.7	6.0	56.9
Furniture	30,513	28,676	2,584	3,039	6.4	1.9	23.7
Lumber	24,253	25,591	1,915	1,422	-5.2	-1.9	-24.4
Auto Dealers	138,437	114,179	13,009	10,966	21.2	8.8	-17.4
Service Stations	10,649	15,737	778	794	-32.3	4.0	8.9
All Other	47,241	50,784	5,118	4,040	-7.0	27.5	7.9
Total	558,377	541,792	49,951	52,900	3.1	5.8	12.3
MUSKOGEE AREA							
Food	144,418	129,537	12,597	12,389	11.5	3.3	5.8
Apparel	18,733	20,267	1,752	2,767	-7.6	14.6	101.1
General Merchandise	40,089	51,216	3,540	5,395	-21.7	6.1	60.8
Furniture	14,074	12,053	1,214	1,477	16.8	-0.7	26.2
Lumber	6,851	6,096	579	443	12.4	10.5	-12.8
Auto Dealers	87,337	72,025	8,204	6,918	21.3	8.7	-17.4
Service Stations	13,681	20,232	998	1,018	-32.4	4.4	8.9
All Other	32,836	24,380	2,891	3,306	34.7	1.9	17.8
Total	358,019	335,806	31,775	33,713	6.6	5.4	11.5
STATE[a]							
Durable Goods	6,593,021	5,673,238	581,261	544,743	16.2	3.2	-9.0
Auto Dealers	4,535,536	3,740,393	426,241	359,280	21.3	8.8	-17.4
Accessory Dealers	352,817	382,581	28,123	29,346	-7.8	0.4	10.7
Total Automotive	4,888,353	4,122,974	454,364	388,626	18.6	8.2	-15.8
Furniture	321,346	344,375	25,444	29,253	-6.7	2.8	19.2
Household Appliances	254,785	256,075	21,274	24,230	-0.5	3.2	17.7
Total Furniture and Appliances	576,131	600,450	46,718	53,483	-4.1	3.0	18.5
Lumber and Building Materials	703,989	573,162	58,169	44,615	22.8	3.7	-15.1
Hardware Stores	68,647	69,728	5,648	6,048	-1.6	-0.5	14.7
Total Lumber, Building Materials & Hardware	772,636	642,890	63,817	50,663	20.2	3.4	-12.4
Nondurable Goods	11,622,484	11,023,821	972,922	1,230,481	5.4	0.9	32.8
Apparel	601,014	630,855	48,487	80,778	-4.7	0.5	58.5
Drug Stores	511,653	420,110	45,124	59,831	21.8	1.3	33.5
Eating and Drinking Places	1,942,879	1,683,920	168,483	162,624	15.4	0.4	3.8
Food Group	4,749,990	4,068,233	409,833	445,825	16.8	5.9	26.3
Service Stations	695,521	1,026,891	50,788	51,794	-32.3	4.0	8.9
General Merchandise Group	2,336,719	2,414,726	195,522	346,153	-3.2	0.1	62.2
Total Retail Trade	18,215,505	16,697,059	1,554,183	1,775,224	9.1	1.8	16.4

[a] Total includes data for categories not shown in the table.

RETAIL TRADE IN SELECTED CITIES
($000)

					Percentage Change		
	12 Mos. '86	12 Mos. '85	Dec. '86		12 Mos. '86/'85	Dec./Nov. '86	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
Ada	176,082	171,080	15,370	17,414	2.9	1.2	16.9
Altus	161,708	145,981	14,162	15,728	10.8	-0.4	8.6
Alva	49,852	47,388	4,138	4,837	5.2	-0.8	17.0
Anadarko	67,797	62,331	6,121	6,479	8.8	2.0	13.5
Ardmore	230,403	220,845	20,549	21,967	4.3	3.3	11.4
Bartlesville	226,317	240,466	17,340	20,512	-5.9	-3.0	14.4
Blackwell	41,072	41,855	3,383	3,735	-1.9	-2.6	5.4
Broken Arrow	224,255	206,253	19,046	19,845	8.7	-1.8	6.3
Chickasha	116,318	115,129	9,683	10,926	1.0	-2.2	9.2
Clinton	74,178	72,486	6,295	6,257	2.3	1.6	-2.5
Cushing	75,822	77,540	6,446	7,297	-2.2	1.7	19.9
Del City	121,400	118,342	10,177	10,127	2.6	-1.2	1.3
Duncan	163,293	159,958	13,465	14,958	2.1	-1.3	8.7
Durant	114,192	104,241	9,866	11,042	9.5	0.4	13.7
Edmond	309,846	284,402	26,686	28,571	8.9	-1.4	11.3
Elk City	97,200	94,304	8,202	8,928	3.1	-0.7	9.0
El Reno	101,227	104,990	8,467	9,130	-3.6	1.5	6.9
Guthrie	72,411	64,696	6,008	6,263	11.9	-0.4	7.7
Guymon	62,212	59,192	5,245	6,290	5.1	-0.4	21.3
Henryetta	63,785	60,901	5,770	6,172	4.7	5.5	19.1
Hobart	30,745	29,947	2,524	2,705	2.7	-2.4	1.3
Holdenville	37,315	35,131	3,206	3,552	6.2	-1.5	4.6
Hugo	38,534	34,597	3,404	3,791	11.4	-0.8	13.2
Idabel	48,951	50,004	4,046	4,401	-2.1	-1.0	7.8
Lawton	551,192	540,501	46,006	48,928	2.0	2.2	10.0
McAlester	130,849	130,401	10,873	11,745	0.3	-1.0	5.9
Miami	157,205	121,774	14,748	17,837	29.1	7.7	36.5
Midwest City	482,262	466,807	42,731	46,263	3.3	2.3	16.0
Moore	144,796	139,581	11,802	12,588	3.7	-2.1	5.3
Muskogee	340,188	318,470	29,239	32,056	6.8	0.2	10.7
Norman	757,399	719,830	65,877	68,178	5.2	0.2	3.7
Oklahoma City	3,220,796	3,249,645	268,143	303,200	-0.9	2.3	16.5
Okmulgee	73,874	66,845	6,315	7,006	10.5	-0.4	9.1
Pauls Valley	47,915	50,910	3,730	4,254	-5.9	-0.6	16.0
Pawhuska	22,808	22,848	1,890	2,242	-0.2	0.5	24.1
Ponca City	191,915	178,342	16,789	18,957	7.6	2.6	16.3
Poteau	60,481	56,503	5,440	5,823	7.0	2.3	5.8
Sand Springs	100,072	90,658	9,072	9,205	10.4	5.0	12.2
Sapulpa	178,988	177,430	15,936	16,875	0.9	4.1	7.8
Seminole	89,718	68,048	8,167	9,365	31.8	5.5	21.4
Shawnee	271,589	251,586	23,436	25,955	8.0	-0.3	10.2
Stillwater	244,640	242,382	21,598	22,391	0.9	2.6	8.3
Tahlequah	92,874	92,391	8,237	8,685	0.5	3.3	10.4
Tulsa	2,905,573	2,798,673	249,729	276,894	3.8	3.0	13.7
Watonga	22,154	22,913	1,880	2,357	-3.3	4.2	36.7
Weatherford	75,270	82,631	5,879	6,995	-8.9	-6.8	9.7
Wewoka	14,828	15,019	1,219	1,311	-1.3	-2.2	4.9
Woodward	144,912	141,326	12,124	13,882	2.5	-1.7	11.5
Total Selected Cities	13,027,213	12,647,573	1,110,459	1,223,919	3.0	1.6	12.8

ENID AND LAWTON MSAs

				Percentage Change	
Category	12 Mos. '86	12 Mos. '85	Dec. '86	12 Mos. '86/'85	Dec./Nov. '86
ENID MSA					
Employment (Number)[a]					
Labor Force	30,811	31,875	30,175	-0.3	0.2
Total Employment	28,379	29,700	27,850	-4.4	0.2
Manufacturing	1,600	2,000	1,500	-20.0	0.0
Wholesale and Retail Trade	6,600	7,100	6,300	-7.0	3.3
Unemployment Rate (%)	8.0	6.8	7.7	—	—
Industrial Power Sales (000 Kwh)	463,044	493,491	36,204	-6.2	0.8
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	1,710	5,555	0	-69.2	—
Number of Units	23	84	0	-72.6	—
Residential—Multi Family					
Dollar Value ($000)	6,000	1,396	0	329.9	0.0
Number of Units	124	27	0	359.3	0.0
Nonresidential					
Commercial ($000)	824	3,470	35	-76.3	—
Industrial ($000)	1,587	205	0	E	0.0
Institutional ($000)	0	2,650	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	2,958	1,546	0	91.3	—
All Other Nonbuilding ($000)	9	80	0	-88.7	0.0
Total Construction ($000)	13,088	14,902	35	-12.2	-98.6
LAWTON MSA					
Employment (Number)[a]					
Labor Force	47,267	46,850	47,600	0.9	0.4
Total Employment	44,867	44,508	45,100	0.8	0.2
Unemployment Rate (%)	5.2	5.0	5.3	—	—
Industrial Power Sales (000 Kwh)	187,473	177,018	14,314	5.9	-13.5
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	21,172	13,371	1,044	58.3	-14.8
Number of Units	334	228	17	46.5	21.4
Residential—Multi Family					
Dollar Value ($000)	2,119	3,830	0	-44.7	0.0
Number of Units	78	147	0	-46.9	0.0
Nonresidential					
Commercial ($000)	5,485	5,332	91	2.9	-73.5
Industrial ($000)	1,232	0	0	—	—
Institutional ($000)	1,638	14,886	0	-89.0	0.0
Nonbuilding					
Streets and Highways ($000)	8,525	6,615	0	28.9	—
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	40,170	44,034	1,135	-8.8	-81.5

[a] Includes revisions.

E = exceeds 600 percent.

MUSKOGEE MA

				Percentage Change	
Category	12 Mos. '86	12 Mos. '85	Dec. '86	12 Mos. '86/'85	Dec./Nov. '86
Employment (Number)[a]					
Labor Force	33,246	32,300	33,050	2.9	-0.5
Total Employment	30,260	29,075	30,300	4.1	-0.3
Unemployment Rate (%)	9.0	10.0	8.3	—	—
Industrial Power Sales (000 Kwh)	167,362	195,350	13,892	-14.4	-4.0
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	6,589	7,092	553	-7.1	33.3
Number of Units	96	98	8	-2.0	33.3
Residential—Multi Family					
Dollar Value ($000)	4,428	3,313	158	33.7	-32.1
Number of Units	104	96	5	8.3	-28.6
Nonresidential					
Commercial ($000)	3,610	4,124	654	-12.5	336.2
Industrial ($000)	2,368	2,093	0	13.2	0.0
Institutional ($000)	4,975	2,016	0	146.8	0.0
Nonbuilding					
Streets and Highways ($000)	894	2,828	574	-68.4	—
All Other Nonbuilding ($000)	109	150	0	-27.5	0.0
Total Construction ($000)	22,973	21,616	1,939	6.3	143.3

[a] Includes revisions.

TULSA MSA

				Percentage Change	
Category	12 Mos. '86	12 Mos. '85	Dec. '86	12 Mos. '86/'85	Dec./Nov. '86
Employment (Number)[a]					
Labor Force	354,517	344,283	354,400	3.0	-0.6
Total Employment	324,575	319,292	326,600	1.6	-0.4
Agriculture	3,608	3,650	3,000	-9.1	-1.2
Nonagriculture	320,967	315,642	323,600	1.7	-0.3
Manufacturing	52,167	53,283	51,800	-2.1	0.6
Mining	19,367	20,442	19,100	-5.3	0.0
Government	34,517	34,642	35,000	-0.3	-1.7
Wholesale and Retail Trade	74,358	73,492	75,700	0.8	1.2
Unemployment Rate (%)	8.4	7.2	7.8	—	—
Average Weekly Earnings					
Manufacturing ($ Per Worker)					
Industrial Power Sales (000 Kwh)	1,987,599	1,882,729	162,738	5.6	0.1
Mortgage Loans Closed ($000,000)[b]	298.7	241.5	21.5	23.7	28.0
Bank Deposits ($000,000)[c]					
Demand Deposits	712	725	855	-1.9	21.3
Time and Savings Deposits	2,032	1,941	2,194	4.7	9.2
Air Transportation					
Passengers Enplaning (Number)	1,374,788	1,416,136	118,195	-2.9	9.0
Passengers Deplaning (Number)	1,377,601	1,416,525	116,988	-2.8	7.6
Freight (Tons)	9,804	9,851	809	-0.5	37.6
Water Transportation					
Tulsa Port of Catoosa					
Tons In	470,027	469,866	37,848	0.0	-10.6
Tons Out	941,611	869,300	93,948	8.3	41.8
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	111,672	116,100	8,194	-3.8	30.7
Number of Units	1,770	1,979	117	-10.6	27.2
Residential—Multi Family					
Dollar Value ($000)	32,892	28,779	0	14.3	0.0
Number of Units	907	963	0	-5.8	0.0
Nonresidential					
Commercial ($000)	50,730	157,133	1,258	-67.7	-67.4
Industrial ($000)	14,969	33,390	5,069	-55.2	E
Institutional ($000)	24,682	23,626	59	4.5	-57.9
Nonbuilding					
Streets and Highways ($000)	18,953	23,888	463	-20.7	—
All Other Nonbuilding ($000)	5,766	4,737	197	21.7	17.6
Total Construction	259,666	387,654	15,240	-33.0	43.7
General Business Index	85.7	90.2	87.4	-5.0	2.9

[a] Includes revisions.
[b] By savings and Loan Associations.
[c] Deposits in large commercial banks.
E = Exceeds 600 percent.

OKLAHOMA CITY MSA

Category	12 Mos. '86	12 Mos. '85	Dec. '86	Percentage Change 12 Mos. '86/'85	Percentage Change Dec./Nov. '86
Employment (Number)[a]					
Labor Force	513,783	514,867	510,600	-0.2	-0.2
Total Employment	478,708	484,792	479,300	-1.3	0.1
Agriculture	5,417	4,600	4,500	17.8	-8.2
Nonagriculture	473,291	480,192	474,800	-1.4	0.2
Manufacturing	50,000	52,400	49,200	-4.6	-0.4
Mining	13,300	16,900	12,300	-21.3	0.0
Government	98,100	96,700	99,300	1.4	-0.6
Wholesale and Retail Trade	72,900	73,700	74,200	-1.1	0.8
Unemployment Rate (%)	6.8	5.8	6.1	—	—
Average Weekly Earnings					
Manufacturing ($ Per Worker)	437.66	443.22	459.06	-1.3	3.4
Industrial Power Sales (000 Kwh)	1,226,661	1,300,993	98,026	-5.7	-0.8
New Mortgage Loans ($000,000)[b]	317.9	391.4	24.0	-18.8	31.1
Bank Deposits ($000,000)[c]					
Demand Deposits	924	1,071	903	-13.7	6.0
Time and Savings Deposits	2,114	2,607	1,743	-18.9	-4.0
Air Transportation					
Passengers Enplaning (Number)	1,487,639	1,482,023	118,319	0.4	1.6
Passengers Deplaning (Number)	1,475,115	1,474,800	127,025	0.0	10.6
Freight Enplaned (Tons)	7,121	6,220	373	14.5	-21.5
Freight Deplaned (Tons)	10,789	18,129	718	-40.5	7.3
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	189,924	211,563	9,615	-10.2	-3.6
Number of Units	3,129	3,508	157	-10.8	9.0
Residential—Multi Family					
Dollar Value ($000)	28,986	31,487	545	-7.9	—
Number of Units	1,002	1,522	22	-34.2	—
Nonresidential					
Commercial ($000)	84,583	156,872	5,586	-46.1	-38.1
Industrial ($000)	5,554	15,649	282	-64.5	41.0
Institutional ($000)	17,235	20,360	616	-15.3	-23.6
Nonbuilding					
Streets and Highways ($000)	48,463	53,964	3,466	-10.2	-39.2
All Other Nonbuilding ($000)	4,073	5,955	87	-31.6	-56.4
Total Construction ($000)	378,818	495,849	20,197	-23.6	-22.0
General Business Index	84.4	88.9	83.6	-5.0	1.2

[a] Includes revisions.
[b] By savings and loan associations.
[c] Deposits in large commercial banks.

Sources for all tables: Local utilities companies; 10th Federal Reserve District Member Banks; Federal Home Loan Bank of Topeka; Oklahoma Employment Security Commission; United States Department of Commerce, Construction Statistics Division; Oklahoma Department of Transportation, *Progressive Report of the Transportation Director;* Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian Hickey, Research Assistant.

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73019. March 1987, volume 55, number 3. Second class postage paid at Norman, Oklahoma 73070. Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73019.

Business Highlights

Neil J. Dikeman, Jr.

1986 In Retrospect

Oklahoma's economic conditions during 1986 continued the downward pattern which began in the latter portion of 1982. The two most representative indicators of general business conditions—real personal income and the Oklahoma General Business Index—presented some concern in that each experienced decreases during the year, thus evidencing continued weaknesses throughout the State's economy. Despite the apparent problems in the economy suggested by the declines in these two indicators however, several of the sectors in the economy are beginning to show some improvements.

Retail Sales

Retail Sales during 1986 recovered nicely from the rather slow pace set in 1985 and registered a 9.1 percent gain. The major impetus for this increase was a 16.2 percent increase in durable goods sales which was triggered by a rise of 21.3 percent in auto sales and one of 22.8 percent in lumber sales. This is not to say that sales of nondurable goods failed to perform well because this segment of retailing was up by 5.4 percent over the 1985 level and might have shown an even more impressive rise had it not been for a near 5 percent drop in apparel sales — the fourth such decline in as many years — coupled with a decrease of 32.3 percent in sales of service stations and one of 3.2 percent in general merchandise sales. Thus, this somewhat restricted increase in sales of nondurable goods tended to offset the sharp increase in sales of durable goods and therefore resulted in the 9.1 percent increase in the total sales volume for the year.

Employment

An increase of 1.3 percent in the average monthly labor force during 1986, coupled with the fractional rise of less than 0.1 percent in employment raised the average monthly unemployment rate for the year to 8.3 percent which is significantly higher than the 7.1 percent rate noted during 1985. In terms of number of jobless, the number in Oklahoma during 1986 averaged 131 thousand each month which exceeded the average of 112 thousand experienced in 1985 by 19 thousand persons or by nearly 17 percent. This marks the second successive year in which the number of persons without jobs has risen and the second highest number of unemployed persons since 1980.

On the brighter side of the employment picture is the fact that the monthly average of persons with jobs also rose for the second successive year in spite of rather sizeable decreases in agriculture, manufacturing, mining and construction employment. Actually, the gain came about due to increases in employment in services, transportation, utilities and other similar economic sectors.

Construction

The dollar volume of construction activity, as measured by building permits issued, declined for the third successive year to less than $900 million which was a loss of nearly 21 percent and was its lowest total since 1970. This latest drop in construction activity was due principally to significant decreases in commercial and industrial building which were accompanied by more modest declines in single family residential building, institutional building and the "all other" building category. However, on the plus side was an increase of 10.4 percent in street and highway building and a 2 percent increase in the value of multifamily residential building during the year.

The one bright spot in the construction picture is the fact that the annual rate of decline in building activity is slowing down as is demonstrated by the fact that the 1983-1984 rate of decline was 22.6 percent, the 1984-1985 rate was 39.1 percent and the 1985-1986 rate was reduced to less than 21 percent.

Banking and Finance

For the first time in recent history, deposits in Oklahoma financial institutions declined and the drop was a sizeable 3.8 percent. The principal absolute loss occurred in savings account levels which were off the 1985 total by $910 million or 3.4 percent, while the $347 million decline in demand deposit accounts was the larger relative decrease.

The reasons for a decline in deposits include the losses of large deposits attributable to the failures of banks and thrift institutions as well as the skepticism on the part of many bank customers as to the reliability of depositories in general which has caused them to place portions of their funds, previously held in banks and other depositories, in investments which they perceive as having greater safety than is available in existing financial institutions. Finally, there is some indication that the declining interest rates and the relative lack of viable loan markets are causing some financial institutions to refuse deposits because the margin between what increased deposits will earn and the interest costs on such deposits is rapidly decreasing.

Thrift institutions, by themselves, present a brighter picture in that assets of these operations were 3.2 percent higher than in 1985 and the volume of new mortgage loans made was 6.5 percent above last year. It is of note that the rise in mortgage loans was the first such increase in this indicator in the past three years. It is entirely possible if not probable that the recent increase in mortgage loans was attributable in great measure to the refinancing of a large number of long term loans in order to take advantage of lower interest rates as well as to the high volume of housing and other real estate being sold at distressed prices by the FDIC as well as some lending institutions.

Manufacturing

Manufacturing activity in Oklahoma during 1986, as measured by manufacturing employment declined for the second successive year as plant closings and work force reductions continued to plague the State. To illustrate the degree to which manufacturing activity has declined during the past 5 years, in 1981, the year of peak employment in this sector, a total of 199 thousand persons were employed by the manufacturing sector whereas by 1986, only about 163 thousand manufacturing jobs existed in the State. This represents a loss of 36 thousand relatively high paying jobs. On a somewhat more optimistic note, the rate of decline in manufacturing jobs has tended to be reduced since the 9 percent drop which occurred between 1981 and 1982.

Energy

As might be expected, the energy sector in 1986 presented the bleakest of pictures. First, the production of natural and casinghead gas fell to 1.77 trillion cubic feet which was the lowest volume of output of these energy sources since 1977. When the average annual price of these commodities in 1986 of $1.51 is considered however, it is surprising that the decline in production was not more severe due to the fact that when the 1986 price is deflated to 1977 dollar equivalents it is nearly identical to the 1977 price.

Crude petroleum and lease condensate production during 1986 followed much the same pattern as that of natural and casinghead gas in that it declined by 5.1 percent to 143 million barrels—the lowest level in the past 30 years. Here again, the average annual price of $14.05 per barrel was the major contributor to the decline as it fell by 48.7 percent from the 1985 level.

Personal Income

As noted earlier, despite a fractional rise in personal income during 1986, after removal of the effects of inflation, real income or the actual purchasing power of Oklahomans declined marking the second successive year in which the real income of Oklahoma consumers was less than during the previous year.

Much of the slowdown in the rate of increase in personal income can be attributed to the changes which have occurred in the structure of the State's work force where losses in high paying jobs in manufacturing mining and construction have been offset by lower paying jobs in the trades and services thus resulting in a minimal change in total employment but a much larger change in income. As an example of the wage differentials which exist between these types of jobs, it is noted that in 1986 the average weekly wages paid manufacturing workers was nearly $405 while the average retail worker received less than $190. In addition, the average weekly wages paid to all workers have tended to decline somewhat particularly in the construction industry as well as the retail trade sector, both of which experienced their second successive annual reduction.

Added to the reduced rate of increase in wages and salaries are decreases in proprietors and property income which are attributable to bankruptcies, business failures, land value depreciation and reduced rent and royalty payments. Only an increase in the category of transfer payments which include pensions, unemployment insurance, OASI payments, Veterans benefits plus other types of payments to individuals for services they do not currently perform prevented total personal income in terms of current dollars from declining.

The Oklahoma General Business Index

Considering the changes which occurred in the economic indicators discussed above, it should come as no surprise that the General Business Index for the State suffered its second successive decline during 1986. This most recent drop in the index was the most severe since 1983 and brought it to its lowest level since 1980.

The Outlook

The relative lack of vigor demonstrated by the major economic indicators suggests that the economy of Oklahoma will remain relatively stagnant during at least the first half of 1987 and more probably through the first three quarters of the year. Assuming that the national economy remains healthy as many economists expect, and that the new plant openings and plant expansions which have been announced actually take place, some improvements in the economy should become evident during the latter portion of the year and become even more pronounced during 1988.

Retail Sales

Retail Sales during 1987 are not likely to match the rate of increase experienced in 1986 principally because of the unusual influence that automobile sales had on last year's volume. It will be recalled that during two periods in 1986 low interest loans were offered by the major automobile manufacturers and consumers engaged in a year end automobile buying surge in order to take advantage of current federal tax laws before their expiration at the end of the year. These events will probably not occur during 1987. Also, lumber and building materials sales are not expected to keep pace with their 1986 growth which was caused primarily by a sharp increase in remodeling and repair of existing housing. Thus, sales of durable goods during 1987 are expected to decline slightly while sales of such non-durables as food, pharmaceuticals and restaurants should match the gains of 1986 causing an overall increase in non-durable goods sales of about 6 percent. As a result of these divergent sales patterns, total sales in 1987 should rise by about 3 percent to $18.8 billion.

Employment

Except for normal seasonal fluctuations, very little change is expected in the employment picture during the first half of the year. However some increases should be noted in the total number of persons employed in the third quarter as new plant openings occur and construction activities pick up. This suggests that the principal increases will occur in the manufacturing sector. The level of construction employment should also enjoy some gains later in the year when construction of a naval facility on Tinker Air Force Base commences. The expected increases in these two important sectors should trigger some additional employment gains in the trades and services sectors. Conversely, little if any changes are contemplated in mining and agricultural employment throughout the year and as a result average monthly employment in the State during 1987 should increase by about 0.2 percent to a total of 1,465,000 workers which represents a gain of 3 thousand jobs during the year.

Construction

There appears to be little hope that the total dollar volume of construction will increase during the year but the rate of decrease should be reduced materially. This forecast is based on several factors among which are: a) the surplus of both single family and multifamily housing that is still available at bargain prices significantly dims the outlook for any increase in residential building activity; b) office and shopping center vacancy rates are well above normal so that there is not likely to be a great demand for additional commercial construction; and c) what little industrial building that will occur will probably be in plant expansions or small plant projects.

What these factors indicate is that residential building during 1987 will remain at about 1986 levels although the dollar volume of multifamily dwellings may decline by as much as 8 percent. Commercial building will likewise remain at about 1986 levels while industrial building should show a slight increase of about 1 to 2 percent.

On a brighter note, the approval of the establishment of a naval aviation facility on Tinker Air Force Base should contribute to a sharp rise in institutional building. In addition, street and highway construction—largely in the form of repair and maintenance—is also expected to increase at about last year's level and these two gains coupled with the expected increase in industrial building should restrict the decline in the dollar volume of construction activity during 1987 to between 5 and 7 percent which will be a distinct improvement over the 21 percent drop which occurred in 1986.

Banking and Finance

Just at a time when the banking crisis appeared to be nearing an end, another major bank closing is announced. This suggests that the shake out of marginal and submarginal institutions will continue well into 1987 with a concurrent decline in deposits in other types of financial institutions. However, the outlook for 1987 insofar as deposits are concerned is for a less severe decline than the 1986 drop of 3.8 percent. Currently, it appears that deposits in all Oklahoma financial institutions during 1987 could be as much as 2 percent below 1986.

Energy

At currently forecasted prices for crude petroleum and natural gas, it is probable that production of these two sources of energy will remain at or near 1986 levels. This means that the value of crude petroleum and natural gas produced in Oklahoma during 1987 will range between $4 billion and $5 billion. Of course, should the average price of crude oil reach $18 and that of natural gas approach $2 per mcf, the value of total output during the year could reach $6 billion which is about the level of 1980.

Personal Income

The projected increases in manufacturing and contract construction employment during 1987 and the effect these gains will have on employment in the trades and services should result in rather a healthy increase in wages and salaries paid to Oklahoma workers. In addition to the impact these employment increases will have on wages and salaries, they will also have a less direct but positive effect on property and proprietors income and thus will cause total personal income in the State to reach $42.5 billion—an increase of 4 percent. This should mean an increase in real personal income of about 0.5 percent.

Oklahoma General Business Index

The culmination of the divergent patterns of change discussed above is expected to result in an increase of about 2 percent in the General Business Index to a monthly average of 92.9.

Neil J. Dikeman, Jr. is Associate Director for the Center for Economic and Management Research.

Impacts of the Federal Budget Balancing Act on the Oklahoma Economy

David Penn

Introduction

The issue of the federal deficit has long generated spirited discussion regarding the impact of debt financing on interest rates, the balance of trade, and long-run economic growth. In 1985, Congress took a stand on the issue by passing the Balanced Budget and Deficit Control Act, better known as Gramm-Rudman-Hollings (GRH). Supporters saw GRH as a means of limiting the rate of growth of federal spending, reducing pressure on interest rates, and eventually improving the balance of trade.

These aspects of the Balanced Budget Act have received quite a lot of attention. This article examines some of the effects of GRH that receive less attention: the impact on regional economies, in particular, Oklahoma. The first section outlines the major provisions of GRH, followed with an examination of the impacts on federal expenditures. The third and fourth sections discuss the effect on federal outlays in Oklahoma, giving attention to the distribution of impacts across the state. The effects of three alternative spending cuts are examined, following with a summary and conclusions section.

The Balanced Budget Act of 1985

Signed into law in 1985, the Balanced Budget and Emergency Deficit Control Act of 1985—better known as the Gramm-Rudman-Hollings Act—does two major things: (1) requires a balanced federal budget by fiscal year 1991, and (2) enforces this requirement by mandating across the board spending cuts if annual target deficits are not achieved. To accomplish a balanced budget, the Act requires limited cuts for fiscal year 1986 and annual deficit reductions of $36 billion thereafter, reducing the 1986 budget deficit of $220.5 billion to zero by the first day of fiscal year 1991. Congress and the president are free to determine the appropriate means of deficit reduction, as long as the annual target deficits are met. This may include tax increases, asset sales, cuts in outlays, or a combination of the three. However, if the annual deficit targets are not met, the Act requires across the board cuts in a limited number of programs referred to below as the Gramm-Rudman-Hollings (GRH) base.

The Balanced Budget Act has not been without controversy, especially regarding constitutional separation of powers issues. In July of 1986, the U.S. Supreme Court ruled unconstitutional a provision of the Act that required the U.S. General Accounting Office (GAO) to determine whether Congress had met the requirements of the Act, and if not to calculate and order the required spending cuts. The Comptroller General of the GAO—a Congressional appointee—would in effect be required to enforce the law, a governmental function that the Court determined to belong to the executive branch of the government, not the legislative branch. Congress must relinquish its removal powers over the Comptroller General in order to restore the provisions of the Act requiring automatic spending cuts. Although this section was struck down, a fallback procedure in the law provides for floor votes on spending cuts if deficit targets are not reached through the usual budgetary process.[1]

The major players involved in determining the deficit and required budget cuts are the Office of Management and Budget (OMB), the Congressional Budget Office (CBO), and the General Accounting Office (GAO). The Act requires OMB and CBO to prepare estimates of revenues and outlays for the coming fiscal year, determine whether the deficit falls within $10 billion of the target deficit, and estimate the expected rate of real economic growth. The provisions of the Act may be suspended by Congress if two consecutive quarters of negative economic growth are expected.

OMB and CBO must calculate the base from which across the board cuts will be made and the percentage cuts in the base programs that would be required to meet deficit targets. These figures are reported to the General Accounting Office, which reports to the president and to Congress its estimates of the deficit and required spending cuts by August 25 of each year. The original procedure in the Act required the President to sequester funds as provided in the GAO report, effective at the beginning of the fiscal year on October 1. Since this provision has been invalidated by the Supreme Court, the fallback procedure in the Act establishes a Temporary Joint Committee on Deficit Reduction, consisting of the membership of the budget committees of both houses of Congress. Within five days, the Joint Committee sets forth the contents of the GAO report to the House and Senate in a joint resolution, where it is voted on. The president issues a final sequester order effective October 15.

If the estimated deficit is $10 billion or more greater than the target deficit, the excess deficit is eliminated by dividing cuts equally between defense and non-defense, subject to several exemptions and special rules. These figures are adjusted by deducting outlays for cost of living increases for several programs—mostly military and civilian retirement—with the savings spread equally between defense and non-defense programs. Special rules in the Act permit only limited cuts in several programs such as child support, foster care, and unemployment compensation. Cuts in Medicare and medical care programs including migrant health, Indian health, community and veterans' medical care are limited to 2 percent for any particular fiscal year under the special rules section of the Act. Cost of living adjustments for social security and railroad retirement are specifically exempted from cuts under the Act.

After deducting the cost of living adjustment and all the exempt and programs subject to special rules, only 28 percent of total outlays remain in the base from which across the board cuts can be made. Major programs excluded from the Gramm-Rudman-Hollings (GRH) base for spending cuts include:

- Interest payments on the national debt;
- Military and civilian retirement;
- Social security and railroad retirement;
- Funds obligated in previous fiscal years; and
- Low income programs.

The Act has affected the federal budget in two fiscal years. In fiscal year 1986, the provision of the Act that mandated across the board cuts was invoked, resulting in cuts of $11.7 billion in programs included in the GRH base. Eligible defense programs were cut by 4.9 percent, while expenditures for non-defense programs were reduced by 4.3 percent. In fiscal year 1987, the CBO and OMB determined that $9.4 billion needed to be trimmed from the deficit in order to come within $10 billion of the $144 billion target deficit for the year. Relying on a mixture of one-time fixes including the sale of Conrail; the sale of agricultural, housing, and student loans; and various budgetary manipulations, Congress passed and the president signed the budget reconciliation bill (PL 99-509) in October. The reconciliation bill reduced the expected deficit by $11.7 billion. This reduction, along with the $11 billion expected this year from the tax reform act, allowed Congress to achieve the $144 billion deficit target.[2]

The economy, however, is not likely to grow as quickly as expected in the 1987 deficit projections. A weakening economy means lower revenues and a higher than expected deficit. Thus, the achievement of the $144 billion deficit target for fiscal 1987 will probably turn out to be illusory. In fact, some experts are predicting that the actual deficit will come in at the $165 billion to $180 billion range, greatly exceeding the target. If so, very large cuts—perhaps as much as $70 billion—would be required to meet the 1988 target deficit of $108 billion. Cuts of that magnitude would only place more downward pressure on the rate of economic growth in Oklahoma. Unless the national economy shows signs of renewed growth, pressure on Congress to lower the deficit targets or extend the deadline for a balanced budget past fiscal year 1991 could well result in alterations to the Act.[3]

Impacts on the Federal Budget

Most budget balancing spending cuts will likely be made in programs included in the GRH base, whether or not the enforcement portion of the Act is invoked. If Congress and the president are unable to agree on a budget that meets the target deficit, thereby invoking the provisions of the Act, most non-defense expenditures and a significant portion of defense outlays would be exempt from across the board cuts. Table 1 shows outlays for defense and non-defense programs; exemptions and special rules allowed by the act; and outlays included in the GRH base in fiscal year 1986. Out of the total defense budget of $273 billion, $96 billion in obligated funds were excluded from the GRH base. However, the Act gives the president the authority to apply limited cuts to military personnel accounts or to exempt personnel entirely from cuts, thus forcing defense procurement to absorb all of the defense portion of sequesters. In the cuts required to the fiscal year 1986 budget, President Reagan exercised his authority under section 252 (a) (2) (B), exempting $61.3 billion in military personnel accounts from the GRH base. The president may also terminate or modify existing defense contracts, crediting the savings to the required cuts.

The non-defense side of the budget amounted to $723.8 billion in fiscal year 1986. Major exemptions from across the board cuts include net interest ($137.4 billion); social security and railroad retirement ($202.3 billion); low income programs ($61.0 billion); and programs subject to special rules ($87.1 billion). Activities included in low income programs are summarized in the Appendix. After deducting these exemptions and allowing for funds obligated in previous years, $105.2 billion of the non-defense budget remains eligible for across the board cuts, representing only 14 percent of the non-defense budget.

Impacts on Federal Outlays in Oklahoma

The Federal Government spent a considerable amount of money in Oklahoma in fiscal year 1985: $9.1 billion dollars, accounting for 18 percent of gross state product.

TABLE 1

Constructing Gramm-Rudman-Hollings Base for Federal Budget Fiscal Year 1986 (billions of dollars)

Defense	Amount
Outlays	**$272.8**
Less Adjustments:	
Obligated Funds	**102.1**
GRH Base	**170.7**
Military Personnel	**67.8**
Other	**102.9**
Non-Defense	
Outlays	**$723.8**
Less Adjustments:	
Net Interest	**137.4**
Offsetting Receipts	**+50.4**
Social Security and Railroad Retirement	**202.3**
Veterans Compensation & Pension Programs	**14.3**
Earned Income Credits	**1.3**
Low Income Programs	**61.0**
Programs with Automatic Spending Increases	**48.6**
Special Rule Programs	**87.1**
State Unemployment Benefits	**18.2**
Obligated Funds and Other	**98.8**
TOTAL	**618.6**
GRH Non-Defense Base	**105.2**

Source: Office of Management and Budget and Congressional Budget Office, *Sequestration Report for Fiscal Year 1986 — A Joint Report to the Comptroller General of the United States, Federal Register*, Vol. 51, No. 10, January 15, 1986. Figure for military retirement taken from Executive Office of the President, Office of Management and Budget, *Budget of the United States Government, Fiscal Year 1987*.

Of this, grants to state and local government were $1.2 billion or 14 percent of federal outlays; defense department procurement and military salaries were $2.1 billion (23 percent); direct payments to individuals were $4.7 billion (52 percent); with non-defense procurement, salaries and wages, and other programs amounting to $1.1 billion (11 percent).

Table 2 applies the GRH rules to federal outlays in Oklahoma, resulting in the GRH base for the state. On the defense side, an estimated $203 million in obligated defense department funds and contracts are excluded from across the board cuts, resulting in a GRH base of $1,647 million. The Oklahoma GRH defense base consists overwhelmingly of personnel expenditures ($1.2 billion). By these estimates, eighty-nine percent of defense department expenditures in Oklahoma are subject to across the board cuts under GRH, compared with 63 percent nationally.

Federal expenditures in Oklahoma on the non-defense side of the budget were $7.32 billion in fiscal year 1985, not including interest payments on the national debt and offsetting receipts. Table 2 shows that $2.4 billion in outlays for social security and railroad retirement are exempt from across the board GRH cuts, as well as $882 million in programs covered by special rules. Other major exemptions include low income programs ($694 million); estimated prior year obligations ($1,135 million); and government retirement programs ($723 million). After deducting these exemptions, the base from which non-defense uniform GRH cuts must be made is $1,410.9 million. This figure represents 15.7 percent of non-defense outlays in the state, compared with the national GRH base of 16.5 percent of relevant non-defense expenditures.

The major items included in the non-defense GRH base for Oklahoma are shown in Figure 1. Salaries and agricultural payments account for 46 percent of the GRH non-defense base in Oklahoma. Grants to state and local government also constitute an important component, accounting for 38 percent of the GRH non-defense base. Grant programs include federal highway funds ($195 million); education programs, including student assistance and vocational education grants ($194 million); non-defense procurement contracts ($188.2 million); community development and housing programs ($147 million); and health programs ($135 million). These

TABLE 2

Gramm-Rudman-Hollings Base in Oklahoma Based on Fiscal Year 1985 (millions of dollars)

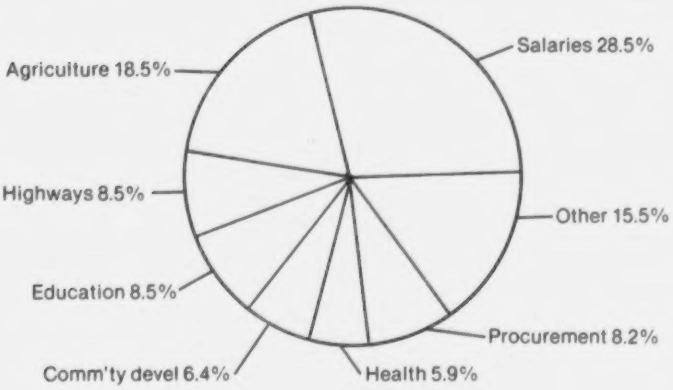
Defense	Amount
Outlays	**$1,850.2**
Adjustments:	
Obligated Funds (estimated)	**202.8**
GRH Base—Defense	**1,647.4**
Personnel	**1,253.3**
Other	**394.1**
Non-Defense	
Outlays	**$7,319.4**
Adjustments:	
Social Security and Railroad Retirement	**2,398.0**
Veterans Compensation & Pension Programs	**303.5**
Earned Income Tax Credits	**17.7**
Low Income Programs	**693.8**
Programs with Automatic Spending Increases	**723.0**
Special Rule Programs	**882.2**
Unemployment Benefits	**13.8**
Obligated Funds (estimated)	**1,135.6**
TOTAL Adjustments:	**6,167.6**
GRH Base — Non-Defense	**1,151.8**

Source: Compiled from U.S. Department of Commerce, Bureau of the Cenus, *Consolidated Federal Funds Report*, computer file for fiscal year 1985.

Note: Funds obligated in Oklahoma were assumed to be proportional to obligated funds in outlays nationwide. Non-defense obligated funds were calculated as the proportion of obligations to non-defense outlays, less net interest and offsetting receipts. Defense obligations were estimated as the proportion of obligated funds in outlays less military personnel.

FIGURE 1

GRH Non-Defense Base for Oklahoma



Non-defense GRH base = 1,151.8 million

items and programs will absorb the bulk of federal budget cuts, representing 84 percent of the non-defense GRH base for the state.

State and local government in Oklahoma will be hard hit by federal budget balancing requirements. In fiscal year 1984, for example, state government received $1,056 million in federal outlays and city governments received $104 million, accounting for 23 percent and 7 percent of total revenues, respectively.[4] Approximately 75 percent of these funds are included in the GRH non-defense base. These outlays will almost certainly undergo further cuts by Congress in the budget process just beginning for fiscal year 1988.

Distribution of Federal Budget Cuts in Oklahoma

The distribution of the effects of budget balancing cuts in Oklahoma depends on two factors: (1) the distribution of federal funds in the state, and (2) the percentage of these funds that are subject to across the board cuts, i.e., included in the GRH base. Figure 2 shows the distribution of federal outlays to counties in fiscal year 1985. Sixty percent of federal outlays in Oklahoma went to ten counties: Oklahoma, Tulsa, Comanche, Canadian, Cleveland, Garfield, Muskogee, Jackson, Pittsburg, and Pottawatomie. Four counties received nearly half of federal expenditures, with Oklahoma County alone receiving $2.47 billion, or 27 percent of all federal outlays in Oklahoma. The other three counties are Tulsa $984 million (11 percent), Comanche County $700 million (8 percent), and Canadian County $262 million (3 percent).

The percent of vulnerable federal outlays—outlays subject to the board cuts—to total federal outlays varies from 76 percent (Comanche County) to 7 percent (McCurtain County), with a median of 29 percent (Woodward County). Figure 3 shows that most of the counties that are heavily dependent on outlays included in the GRH base are located in the western half of the state. This should not be surprising, since the federal programs that assist the low income areas of the eastern portion of the state are largely exempt from cuts under GRH.

There appears to be little correspondence between the dollar amount of total federal outlays in a county and the proportion subject to across the board cuts. For example, even though Comanche County received $700 million and Cimarron County got only $20 million in fiscal year 1985, more than 58 percent of the federal expenditures in both these counties are vulnerable to across the board cuts. On the other hand, of the $984 million received in Tulsa County only 36 percent is vulnerable to cuts under Gramm-Rudman-Hollings, compared with 61 percent of the funds received in Oklahoma County.

The local impacts of federal budget cuts depend not only on the dollar magnitude of the potential cut, but also on the size of the local economy. Relatively affluent counties can absorb large dollar cuts in federal outlays more easily than can poor counties. These counties will adjust to even modest cuts with great difficulty.

The ability of a local economy to absorb cuts in federal outlays can be estimated by examining the ratio of federal funds included in the GRH base to local personal income. This ratio will approximate the reliance of local economic activity on federal outlays that are vulnerable to budget balancing cuts. A large value for the ratio indicates a relatively dependent local economy, while a low ratio shows that the local economy is relatively less dependent on vulnerable federal expenditures. Figure 4 shows the ratio of the federal funds constituting the 1985 GRH base to 1984 county personal income. Forty-six counties—including Tulsa County—are relatively well-equipped to absorb cuts, with the GRH base accounting for no more than 8 percent of personal income. These counties generally are found in the northeast and south central portions of the state.

The next group is more dependent on federal funds that are subject to cuts: vulnerable federal funds represent between 8 percent and 25 percent of personal income in

FIGURE 2

Federal Outlays in Oklahoma
Fiscal Year 1985

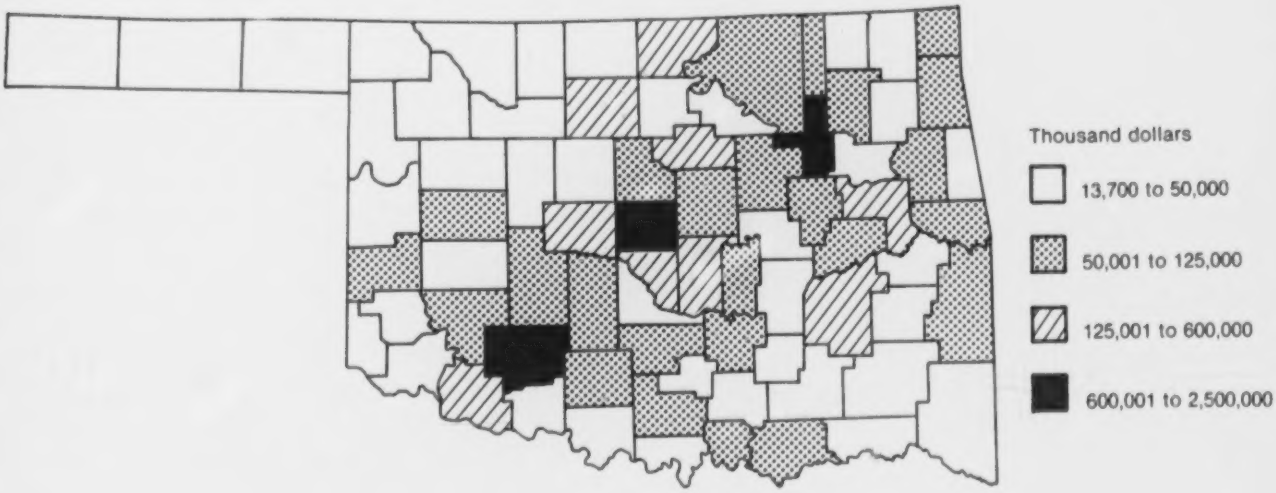

Thousand dollars
13,700 to 50,000
50,001 to 125,000
125,001 to 600,000
600,001 to 2,500,000

FIGURE 3

Percent of Federal Outlays
Subject to Cuts Under Gramm-Rudman-Hollings

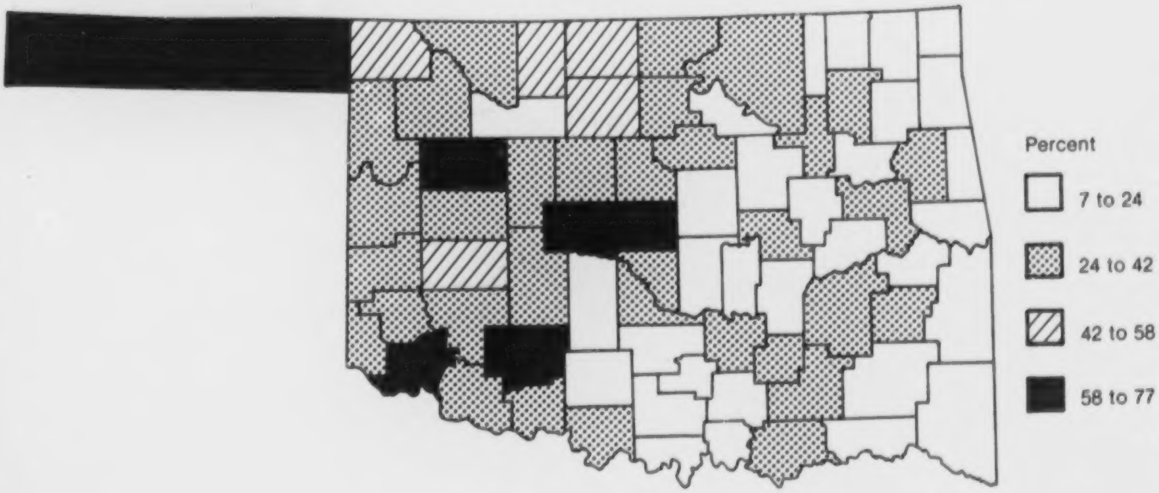

Percent
7 to 24
24 to 42
42 to 58
58 to 77

TABLE 3

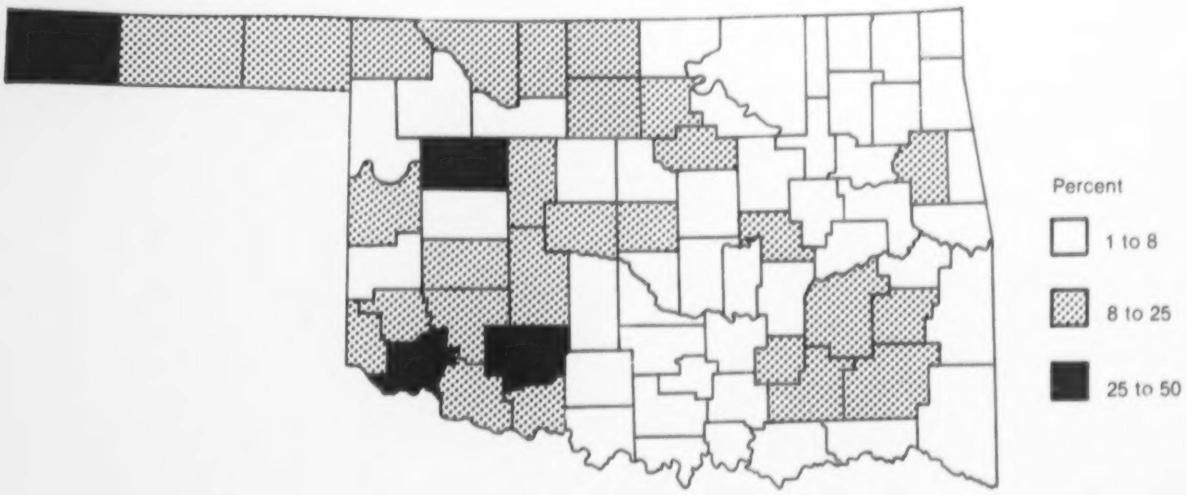
Distribution of Federal Funds in GRH Base to Cimarron, Comanche, Dewey, and Jackson Counties Fiscal Year 1985 (thousands of dollars)

Category	Cimarron	Comanche	Dewey	Jackson
Agricultural Programs				
Wheat Stabilization	$ 4,852	$ 2,083	$ 5,459	$ 6,540
Feed Grain Stabilization	1,831	4	6	1
Cotton Stabilization	0	460	0	6,591
Crop Insurance	67	0	21,518	22
Other	727	798	488	370
TOTAL	7,477	3,345	27,471	13,524
Highway Funds	5,798	4,224	40	4,237
Salaries and Wages				
Defense	1	396,229	4	75,882
Postal Service	375	8,257	1,126	2,002
Other	465	7,551	128	530
TOTAL	841	412,037	1,258	78,414
Procurement				
Defense	0	88,502	0	6,784
Postal Service	44	965	132	234
Other	0	9,852	0	253
TOTAL	44	99,319	132	7,271
Other Federal Funds	190	12,769	389	6,613
TOTAL	14,350	531,694	29,290	110,059
Percent of County Personal Income	27.3	46.7	38.3	36.5

Source: Compiled from U.S. Bureau of the Census, *Consolidated Federal Funds Report: Fiscal Year 1985*, computer file.

FIGURE 4

Gramm-Rudman-Hollings Base as Percent of Personal Income



these counties. For example, the GRH base for Oklahoma County in fiscal year 1985 equalled 17 percent of county personal income.

The third group of counties demonstrate a relatively large economic dependence on federal funds subject to across the board cuts; these are Cimarron, Comanche, Dewey, and Jackson Counties. Table 3 shows the specific federal outlays in the GRH base that are distributed to these counties. Agricultural programs and defense department expenditures account for the bulk of the federal funds received by these four counties. Crop stabilization payments are most important to Cimarron County, while Comanche and Jackson Counties are very heavily dependent on wages, salaries, and procurement expenditures from the Department of Defense. Thus, under the most reasonable of assumptions, the economies of these counties will be most severely affected by budget balancing cuts.

Dewey County appears in the this group due to the large crop insurance payment in fiscal year 1985, indicating a large crop failure due to drought or flood. Since crop failures are not likely to occur regularly in Dewey County, it is unlikely that the county will be included in the list of most dependent counties in later years. However, the dependence of the local economy on a large albeit non-recurring federal payment illustrates the future economic impacts for other counties experiencing drought or floods if these funds are cut or eliminated.

Simulated Budget Cuts

Having described the base for Gramm-Rudman-Hollings budget cuts, this section simulates the effects of alternative GRH budget cuts on the Oklahoma economy. Three alternative scenarios are examined: the first scenario simulates the effects of a $30 billion cut, while the second simulates a $60 billion cut. Both these situations assume that military personnel are not exempted from cuts under GRH. Given the priority on military spending in the Reagan Administration, this assumption may not be realistic. In 1986, for example, the Administration invoked provisions of the GRH Act that allowed exemption of military personnel accounts from across the board cuts. Thus, the third scenario examines the effect of a $30 billion cut with the assumption that military personnel accounts are exempt from across the board cuts.

Scenario I

In Scenario I, the deficit for the coming fiscal year is assumed to be $30 billion more than the target deficit. Assuming that the Congress and the president are unable or unwilling to agree on cuts to reach the target deficit, the GRH process calls for equal $15 billion reductions in defense and non-defense outlays. Deducting cost of living adjustments from these figures results in further needed cuts of $14.5 billion in both and non-defense areas.[5]

Special rules in the Act require limited cuts to specific non-defense programs including medicare, foster care and adoption assistance, student loans, and various health care programs. Cuts in these areas are approximately $1.5 billion. Thus, the required non-defense across the board cuts are reduced to $13.0 billion, representing 12.4 percent of the non-defense GRH base, while defense would be cut $14.5 billion, or 8.5 percent of the GRH defense base.

TABLE 4

Scenario I — Impacts of $30 Billion GRH Cut on Federal Outlays in Oklahoma (millions of dollars)

Category	Defense	Non-Defense	Total
Reduction Required in GRH Base	**$140.0**	**$142.8**	**$282.8**
Cuts Under Special Rules	**0.0**	**17.4**	**17.4**
TOTAL Cuts	**140.0**	**160.2**	**300.2**

Table 4 demonstrates the impact of these cuts on federal expenditures in Oklahoma, assuming that outlay reductions are spread uniformly across the nation. Reductions in the defense GRH base are $140.0 million, while cuts in the non-defense base come to $142.8 million. Adding cuts arising from applying the special rules in the Act results in total non-defense cuts of $160.2 million, or 2.2 percent of non-defense federal outlays in Oklahoma. Adding defense and non-defense components results in total cuts of $300.2 million, or 3.3 percent of all federal outlays in Oklahoma.

Scenario II

Scenario II assumes that federal outlays are $60 billion more than the target deficit for the coming fiscal year. Again, outlay reductions would be split evenly between defense and non-defense programs, resulting in cuts of $30 billion each. Reductions in cost of living increases will still amount to be about $0.5 billion for both defense and non-defense, while the special rules portion of the Act will contribute $1.5 billion to the required non-defense reductions. The resultant cuts required in the defense and non-defense GRH bases come to 17.3 percent and 26.6 percent, respectively.

TABLE 5

Scenario II — Impacts of $60 Billion GRH Cut on Federal Outlays in Oklahoma (millions of dollars)

Category	Defense	Non-defense	Total
Reduction Required in GRH Base	**$285.0**	**$306.4**	**$591.4**
Cuts Under Special Rules	**0.0**	**17.4**	**17.4**
TOTAL Cuts:	**285.0**	**323.8**	**608.8**

The impacts of Scenario II cuts on federal outlays in Oklahoma are shown in Table 5. Total outlays are reduced by $608.8 million, representing 6.6 percent of all federal outlays in the state. Defense expenditures are cut by $285.0 million, and non-defense outlays are reduced by $323.8 million.

Scenario III

Scenario III simulates the effects of a $30 billion cut, with the proviso that military personnel are exempted from cuts by the president. Removing military personnel accounts from the federal GRH defense base decreases the outlays available to absorb needed cuts. As was shown in Table 1, the GRH defense base shrinks to $102.9 billion upon the removal of outlays for military personnel.

As in Scenario I, the defense portion of the budget will absorb cuts of $13.5 billion, all of this coming out of non-personnel accounts. Thus, regions that benefit from little defense spending other than personnel will be spared from large cuts. In Oklahoma, military personnel accounts represent 68 percent of defense spending in the state. Exempting these outlays from cuts means that the remaining unobligated funds—estimated at $394 million—will absorb all the cuts in defense outlays for the state. Table 6 shows cuts in defense programs will amount to $51.6 million in Oklahoma, instead of $140 million as occurred in Scenario I. Exempting part or all of military personnel accounts from cuts would be particularly beneficial to counties that contain military bases, including Comanche, Garfield, Jackson, and Oklahoma Counties.

TABLE 6

Scenario III — Impacts of $30 Billion GRH Cut on Federal Outlays in Oklahoma Military Personnel Exempt from Cuts (millions of dollars)

Category	Defense	Non-Defense	Total
Reduction Required in GRH Base	$51.6	$142.8	$194.4
Cuts Under Special Rules	0.0	17.4	17.4
TOTAL Cuts	51.6	160.2	211.8

In all of the scenarios described above, the cuts in federal government spending in the state represents just the first round of reductions to gross state product. Not included are the indirect impacts on business suppliers and the induced reduction in consumption spending by households. Using a multiplier for federal government spending in Oklahoma of 1.658, the final impact on gross state product (GSP)—including the direct, indirect, and induced effects of spending cuts—will be approximately two-thirds greater than the amounts shown. For example, the direct impact on gross state product of cuts in federal outlays in Oklahoma outlined in Scenario I is $300.2 million; the indirect and induced effects will likely be another $197.5 million resulting in total loss of goods and services produced in the state of $497.7 million, or 0.9 percent of gross state product for 1986. Similarly, the direct, indirect, and induced affects on gross state product from Scenario II budget cuts are $1,009.4 million; these cuts in federal outlays would reduce estimated 1986 GSP by 1.9 percent.[6] Since military personnel are exempt from cuts, the reductions in federal outlays generated by Scenario III would reduce gross state product by the smallest amount. Total direct, indirect, and induced reductions to GSP would be $351.2 million, reducing GSP by 0.67 percent.

State and local government and agriculture will be hit especially hard by budget balancing cuts. Assuming that cuts are made across the board, Scenario I would result in a loss of $53 million to state and local government and $26 million in agricultural programs, after deducting prior year obligations. A federal budget cut of $60 billion as described in Scenario II would reduce federal outlays to state and local government in Oklahoma by $116 million and cut spending for agriculture by $57 million. Spending cuts in these areas will make a bad situation worse for state government and the farm sector.[7]

Summary and Conclusions

The Balanced Budget and Fiscal Responsibility Act of 1985 promises to add additional uncertainty to the economic outlook for the state. Federal budget balancing cuts will heavily affect state government revenues and agricultural programs, sectors that are already experiencing considerable economic difficulty.

Areas in the eastern half of the state will be less affected by cuts under GRH than western portions of Oklahoma. Much of the federal outlays received in eastern Oklahoma consist of programs that are exempt from GRH cuts. These include AFDC, food stamps, child nutrition, Medicaid, and other income support programs.

The potential for greatest loss of income due to GRH cuts is found in areas highly dependent on spending for military personnel. The effects of federal budget cuts on local economies in Comanche, Garfield, Jackson, and Oklahoma Counties will depend to a great extent on whether military personnel are exempted from budget cuts.

Given the current slow growth of the economy, the federal deficit could range between $165 billion and $180 billion, far above the 1988 target of $108 billion. Calculations show that for each $1 billion cut in programs included in the national GRH base, federal outlays to Oklahoma will decline by approximately $10 million, assuming Oklahoma shares proportionally in the cuts. If military personnel are excluded from the base, a $1 billion federal budget cut would reduce federal outlays in the state by $7 million. The most likely case may be federal budget cuts from $30 billion to $60 billion. Reductions of this magnitude could reduce gross state product by one to nearly two percentage points, taking effect in late 1987.

Notes

[1] Jonathan Rauch, "GAO Role and Control at Stake," *National Journal*, 19 July 1986, pp. 1782-1783.

[2] See Office of Management and Budget and Congressional Budget Office, "Sequestration Report for Fiscal Year 1986: A Joint Report to the Comptroller General of the United States," *Federal Register*, 15 January 1986; and "Major Provisions of the Fiscal 1987 Reconciliation Bill," *National Journal*, 1 November 1986, pp. 2790-2797.

[3] Jonathan Rauch, "The Edge of the Abyss," *National Journal*, 6 September 1986, pp. 2117-2120.

[4] State of Oklahoma, *Executive Budget: Fiscal Year Ending June 30, 1986*, p. 325; and State Auditor and Inspector, *Annual Survey of City and Town Finances*, 1984, computer file, Oklahoma Department of Commerce.

[5] Cost of living adjustments are based on a 3 percent rate of inflation.

[6] Government spending multiplier from Center for Economic and Management Research, University of Oklahoma; estimate of gross state product taken from Office of Business and Economic Research, Oklahoma State University, *1986 Oklahoma Economic Outlook*.

[7] Example: federal outlays to state and local government are 37 percent of the GRH non-defense base and Scenario I will cut the non-defense base by $142.8 million. Consequently, state and local governments will lose .37 × $142.8 million = $53 million.

APPENDIX

TABLE A1

Low Income Programs Exempt from GRH Cuts
United States
Fiscal Year 1986
(billions of dollars)

Program	Amount
Grants to States for Medicaid	$24.7
Supplemental Security Income Program	10.2
AFDC Program	9.1
Food Stamps	11.7
Child Nutrition Program	3.9
Women, Infants, and Children (WIC) Program	1.6
TOTAL	61.2

Source: Executive Office of the President, Office of Management and Budget, *Budget of the United States Government, Fiscal Year 1987*.

TABLE A2

Low Income Programs Exempt from GRH Cuts
Oklahoma
Fiscal Year 1985
(millions of dollars)

Program	Amount
Grants to States for Medicaid	$299.6
Supplemental Security Income Program	124.3
AFDC Program	64.6
Food Stamps	139.9
Child Nutrition Program	41.5
Women, Infants, and Children (WIC) Program	23.9
TOTAL	693.8

Source: Compiled from U.S. Department of Commerce, Bureau of the Census, *Consolidated Federal Funds Report*, computer file for fiscal year 1985.

TABLE A3

Programs Subject to Special Rules
Oklahoma
Fiscal Year 1985
(millions of dollars)

Program	Amount
Medicare	$843.3
Child Support Enforcement	4.2
Foster Care and Adoption Assistance	2.9
Miner's Disability	6.0
Health Care	
Community Health	2.8
Migrant Health	0.1
Indian Health	18.3
Veterans Medical	4.6
TOTAL	882.2

Source: Compiled from U.S. Department of Commerce, Bureau of the Census, *Consolidated Federal Funds Report*, computer file for fiscal year 1985.

David Penn is an Economist for the Oklahoma Department of Commerce.

A Microanalytic Simulation of Federal Tax Reform on Oklahoma Tax Filing Units

Scott Turner

The U.S. House of Representatives and Senate both passed tax reform bills in 1986. The tax writers in the House and Senate approved a tax reform bill in August 1986 to overhaul the nation's tax system. The differences regarding tax reform in Congress were resolved and the tax reform bill passed by Congress was signed into law by President Reagan in October 1986 to be effective January 1, 1987.

The changes to the federal tax code will affect both individual and business items. The long range consequences of the changes will affect all major economic variables such as employment and GNP and will certainly affect the financial circumstances of individuals. The effects will not be equally distributed across states and across economic sectors. In fact, there will be major differences between persons living in different states.

It is the objective of this study to focus attention on only two immediate consequences of the proposed changes to the federal tax code. The first is the effect on Oklahomans as both individual federal and individual state tax filers. The second consequence is the effect on Oklahoma tax revenue. Business tax issues will not be addressed in this study.

It is also the objective of this study to provide empirical results for Oklahoma that can be compared with the results of a study of the 1986 Tax Reform Act sponsored by The Advisory Committee On Intergovernmental Relations (ACIR).[1] The empirical work done in this study is very elementary compared with the work reported in the ACIR study, but the work done in this study can serve as an outside check on the results reported for Oklahoma in the ACIR study.

Individual Consequences

The proposed changes in the federal tax code will affect Oklahomans in two very direct ways. First, most individuals in Oklahoma will pay less federal tax and secondly, they will pay more state income tax. The net effect of the federal tax code change will be the difference between these two changes. For example, the average taxpayer in Oklahoma in 1984 had average federal tax liability of $4000 and average state tax liability of $500. If the proposed plan resulted in an average federal reduction of $200 per tax return and the average state income tax increase is $100, then the net tax decrease for the average taxpayer would be $100. That is, what is stated to be a 5 percent decrease in federal tax liability is a 4.4 percent decrease in the total of federal and state income tax (if there is no change in state tax). However, if state tax increases 20 percent, as in this example, then the net decrease in federal and state tax is only 2.2 percent.

The relationship between the federal individual tax code and Oklahoma's individual tax code is a result of Oklahoma's code being coupled to the federal code. With only a few minor differences, Oklahoma's definition of adjusted gross income (AGI) is taken directly from AGI on the federal 1040. Also Oklahoma's definition of itemized deductions is identical to the federal definition of itemized deductions.

The proposed changes in the federal code will increase federal adjusted gross income (AGI) and will decrease itemizations. The increase in the federal tax base will be offset for most tax filers with increased personal exemptions, an increased standard deduction and a reduced tax rate. However, at the state level there will be an automatic increase in state income tax liability since coupling will produce increased taxable income without any changes in personal exemptions, the standard deduction or state income tax rates. The only condition under which an individual's state tax liability could decrease is to become a federal nonfiler since federal nonfilers are not required to file Oklahoma tax returns.

The extent to which an individual's state tax liability will change depends upon the extent to which the individual's AGI and itemized deductions change. For example an individual tax filer not using any of the tax items that are going to be altered, for example individual retirement accounts, capital gains, the two earner adjustment, itemized deductions etc. will receive the full benefit of increased personal exemptions, increased standard deductions and reduced tax rates at the federal level without any change at the state level. Conversely, individuals with large amounts of the tax items whose status will be altered are the individuals that will have more federal tax liability. They will also have more state liability.

It should be noted that the effect of federal tax reform is much greater for individual filers in Oklahoma than for individuals in neighboring states. For example, there will be no state increase for individuals in Texas since Texas does not have a state income tax.

Oklahoma Revenue Effects

The impact of the 1986 Tax Reform Act on Oklahoma tax revenue is very significant at this time since Oklahoma has a very large revenue deficit. Estimates made in a study sponsored by The Advisory Committee For Intergovernmental Relations stated that Oklahoma individual tax liablity would go up by 18 percent when all the provisions in the 1986 Tax Reform Act are fully phased in.[2] The ACIR study used a comprehensive data base composed of both Statistics of Income (SOI) data and Current Population Survey (CPS) data. The purpose of the ACIR study was to estimate the impact of the Tax Reform Act at the state level. The microsimulation work in the ACIR study was done by Policy Economics Group, a Washington D.C. consulting firm. The data base developed by Policy Economics is proprietary and is not available for use in the research community.

Microanalytic simulation in this study uses the March 1985 Current Population Survey microdata file. This file contains demographic and income data for Oklahoma households in 1984. The CPS household, family and person records are used to identify Oklahoma tax units. Income data in the CPS is used to approximate federal adjusted gross income. The major tax items in the proposed bill not contained in the CPS are included in the file using data from Statistics of Income. For example, imputations for capital gains, IRAs and itemized deductions are made using SOI data. The work done in this study is similar to the tax policy work done in the TRIM Model.[3]

The microanalytic simulation modeling done in this study can also be described as an elementary version of the policy analysis simulation work done by the Office of Tax Analysis in the U.S. Treasury Department and by the revenue estimation staff of the Oklahoma Tax Commission.[4] The Treasury Department uses a file of matched data from the SOI and CPS.[5] The Oklahoma Tax Commission uses samples of Oklahoma tax returns, the most recent being for tax year 1983. The simulations in this study are implemented using SAS whereas the U.S. Treasury and the Oklahoma Tax Commission use FORTRAN models.

The results obtained by microsimulation in this study are presented in Tables 1 and 2. Table 1 gives the simulated number of 1984 Oklahoma tax returns by selected AGI classes. Table 1 also gives simulated Oklahoma tax liability under current law (1985) and simulated tax liability using the provisions in the 1986 Tax Reform Act for the returns represented in this table. The AGI classifications in Table 1 are made using current law. For example, the approximate number of tax returns that were filed in 1984 with AGI between $20,000 and $30,000 is 220,000; the estimated Oklahoma tax liability for this set of returns is $117 million using the 1985 tax code, and the estimated Oklahoma individual tax liability for the same tax returns using the provisions in the 1986 Tax Reform Act is estimated to be approximately $160 million. It is also observed from Table 1 that aggregate state revenue would increase from $722 million to $898 million using simulated 1984 tax returns.

Revenue from the Oklahoma individual income tax has declined since fiscal 1985. However, there is only an approximate 5 percent difference between fiscal 1985 and fiscal 1987. The data extracted from the March 1985 Current Populaton Survey is not that different from the data that is expected to appear in the March 1987 Current Population Survey. The relationship observed in this study between Oklahoma tax liability using the current tax code and using the provisions in the Tax Reform Act for 1984 data can be used as a proxy for the expected

TABLE 1

Oklahoma Individual Tax Revenue Under the 1985 Tax Code and the Provisions in the 1986 Tax Reform Act Using Simulated 1984 Oklahoma Individual Tax Returns

AGI Class	Number of Returns (thousands)	Tax Liability 1985 Tax Code (millions)	Tax Liability Tax Reform (millions)
$0 - $10,000	448	$ 8	$ 12
$10,001 - $20,000	315	68	89
$20,001 - $30,000	220	117	160
$30,001 - $50,000	215	242	290
$50,001 - $100,000	72	163	212
$100,001 - ON	14	124	135
TOTAL	1,284	722	898

relationship using 1987 data. Consequently, the results from this study indicate that Oklahoma individual income tax revenue would increase by approximately 24 percent as a result of the proposed tax reform bill when it is fully phased in. The magnitude of the change in state revenue could be as much as $170 million in fiscal 1989.

The items included in the simulation that increase the federal state tax base are the excluded portion of capital gains, IRA contributions, nonmortgage consumer interest, the two earner adjustment, medical expenses over 5 percent but less than 7.5 percent of AGI, and state sales tax. The aggregate of all the tax change items are given in Table 2.

From Table 2 it is observed that the aggregate change in the Oklahoma tax base is approximately $2.8 billion using 1984 tax data. From Table 1 it is observed that this change in the tax base produces a change in tax liability of approximately $176 million using 1984 data. The average tax rate applied to the change in the tax base is 6.3 percent. From Table 2 it is seen that most of the tax base changes are for tax returns with AGI in excess of $20,000 and consequently are in the highest marginal tax bracket for Oklahoma Method I tax calculations. The maximum marginal rate for Method I is 6 percent. The average increase of 6.3 percent is a consequence of two factors. First, most of the tax base changes are for tax returns in the 6 percent bracket, and second, the increased tax base moves approximately 300,000 tax returns from the Method II rate schedule to the Method I rate schedule. The movement of tax returns from Method II to Method I increases the average tax rate on income that previously had a tax break due to Method II. Also, many of the tax returns that are still filed using Method II are pushed into higher tax brackets in the Method II rate schedule.

The results given in Table 2 are on the one hand an understatement of the increase in Oklahoma tax liability since several of the items that will increase the federal tax base are not included in the study, and on the other hand an overstatement of the consequences since behavioral responses that would dampen the increase in the tax base are not included. For example, imputations for investment tax shelters are not included due to the absence of data, and behavioral responses for the actual realization of capital gains and itemized consumer interest are not included for the same reason. These omissions could easily explain the difference (18 percent versus 24 percent) between the results of this study and the results of the ACIR study. Both studies report that the 1986 Tax Reform Act will have a dramatic impact on Oklahoma tax revenue.

TABLE 2

Increase in the Federal Tax Base for Oklahoma Tax Returns Resulting from the 1986 Tax Reform Act[a]

AGI Ciass	Number of Returns (thousands)	Change in Tax Base (millions)
$0 - $10,000	**448**	**$ 232**
$10,001 - $20,000	**315**	**296**
$20,001 - $30,000	**220**	**422**
$30,001 - $50,000	**215**	**739**
$50,001 - $100,000	**72**	**894**
$100,001 - ON	**14**	**218**
TOTAL	**1,284**	**2,799**

[a] Items include IRA contributions, nonmortage interest, the two earner adjustment, state sales tax, medical expenses over 5 percent but less than 7.5 percent of AGI, and the excluded portion of capital gains.

Another interesting result taken from this study is that (on the average) at least 50 percent of the reduction in individual federal tax liability resulting from the 1986 Tax Reform Act will go directly to the state in the form of an increased state tax liability for Oklahoma tax filers.

Notes

[1] Advisory Commission on Intergovernmental Relations, "Preliminary Estimates of the Effect of the 1986 Federal Tax Reform Act on State Personal Income Tax Liability," ACIR (Washington, D.C., December 1986).

[2] *Ibid.*

[3] H. Beebout and P. Bonina, "TRIM: A Microsimulation Model for Evaluating Transfer Income Policy. Working Paper No. 971-4," The Urban Institute (Washington, D.C., 1973).

[4] Roy Wyscarver, "The U.S. Treasury Individual Income Tax Simulation Model," Office of Tax Analysis, U.S. Treasury Department, (Washington, D.C., February 1985).

[5] Richard S. Barr and S. Turner, "Microdata File Merging through Large-Scale Network Technology," *Mathematical Programming Study* 15 (1981).

Scott Turner is Professor of Management Science at Oklahoma State University.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

Nonprofit Org.
U.S. Postage
PAID
Norman, Okla.
[illegible]

Association for University Business and Economic Research
ABUER
MEMBER

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

5/11/87 a 8130-1 A

OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA

ISSN 0030-1671

April 1987

VOL. 55, ISSUE 4

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

SUMMARY OF INDICATORS

Category	Jan. '87	Jan. '86	Jan. '87	Percentage Change	
				Jan. '87/86	Jan./Dec. '87/'86
Personal Income (Monthly Average)[a]					
Unadjusted ($000,000)	3,415	3,390	3,415	0.7	0.0
Adjusted for CPI ($000,000)	1,025.1	1,032.3	1,025.1	-0.7	0.0
Crude Oil Production (000 bbl)	10,116	13,949	10,116	-27.5	-0.8
Industrial Power Sales (000,000 Kwh)[b]	634	718	634	-11.7	-4.5
Total Bank Deposits (Monthly Average) ($000,000)[c]					
Demand	7,539	7,823	7,539	-3.6	-0.2
Savings	26,396	27,571	26,396	-4.3	3.5
Savings and Loan Associations[a] **($000,000)**					
Assets	10,337.6	9,984.8	10,337.6	3.5	2.4
New Mortgage Loans Made	91.3	77.2	91.3	18.3	-7.4
Employment[a,d]					
Total Labor Force (000)	1,562.9	1,565.9	1,562.9	-0.2	-1.3
Total Employment (000)	1,431.3	1,451.4	1,431.3	-1.4	-1.8
Unemployment Rate (%)	8.4	7.3	8.4	—	—
General Business Index	91.7	93.8	91.7	-2.2	-0.7

[a] Includes revisions.
[b] Sales of larger privately owned utility companies.
[c] Total deposits of all depository institutions.
[d] Civilian Labor Force.

RETAIL TRADE IN SELECTED CITIES ($000)

	Jan. '87		Adjusted			Jan. '87		Adjusted	
			'87/'86	1987				'87/'86	1987
City	Adjusted	Unadjusted	Jan.	Jan./Dec.	City	Adjusted	Unadjusted	Jan.	Jan./Dec.
Ada	14,788	13,685	0.6	-3.1	McAlester	10,675	8,930	-5.3	-1.1
Altus	13,598	12,079	7.1	-3.2	Miami	14,217	12,676	13.1	-3.2
Alva	4,070	3,633	-1.9	-1.2	Midwest City	35,235	32,966	-2.5	-16.8
Anadarko	6,127	5,314	11.7	0.3	Moore	11,571	10,287	-3.1	-1.4
Ardmore	19,817	17,170	1.5	-3.2	Muskogee	28,481	24,329	1.0	-2.0
Bartlesville	17,343	15,012	-15.5	0.1	Norman	62,270	57,291	-4.6	-4.1
Blackwell	3,332	2,901	-6.9	-1.1	Oklahoma City	261,037	227,572	-6.8	-2.3
Broken Arrow	18,970	16,156	-0.3	-0.1	Okmulgee	4,731	3,930	-23.4	-25.2
Chickasha	9,526	8,497	-4.6	-1.4	Pauls Valley	3,747	3,340	-13.3	0.3
Clinton	5,991	5,269	-9.6	-3.7	Pawhuska	1,913	1,731	0.3	1.3
Cushing	6,279	5,555	-2.1	-2.3	Ponca City	16,590	14,381	2.8	-1.1
Del City	9,862	8,814	-3.3	-2.1	Poteau	5,072	4,384	0.3	-5.2
Duncan	13,080	11,826	-6.9	-2.1	Sand Springs	8,784	7,618	5.9	-3.3
Durant	9,653	8,627	3.4	-1.8	Sapulpa	15,635	13,539	4.0	-1.6
Edmond	26,211	23,344	4.0	-1.4	Seminole	8,214	7,249	12.1	0.4
Elk City	8,140	7,447	-3.1	-0.4	Shawnee	23,212	20,304	3.2	-0.7
El Reno	8,392	7,407	-5.3	-0.7	Stillwater	20,923	20,064	4.2	-2.6
Guthrie	5,954	5,071	-2.1	-0.8	Tahlequah	7,989	6,983	4.2	-3.0
Guymon	5,240	4,618	4.2	0.1	Tulsa	242,408	220,186	-0.3	-2.6
Henryetta	5,678	5,042	7.6	-1.7	Watonga	1,886	1,770	0.7	0.3
Hobart	2,573	2,218	-6.3	1.9	Weatherford	5,950	5,529	-9.3	1.6
Holdenville	3,152	2,826	1.2	-1.3	Wewoka	1,209	1,113	-5.5	-0.6
Hugo	3,323	2,857	2.1	-1.9	Woodward	13,208	11,697	9.5	8.2
Idabel	4,009	3,598	-8.4	-0.6					
Lawton	44,000	37,532	-6.3	3.6	**Total**	1,074,065	954,367	-2.4	-2.9

RETAIL TRADE IN METRO AREAS AND STATE
($000)

					Percentage Change		
	Jan. '87	Jan. '86	Jan. '87		Jan. '87/'86	Jan./Dec. '87/'86	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	194,056	173,569	194,056	187,952	11.8	1.2	-5.4
Apparel	15,626	16,837	15,626	12,549	-7.2	-0.1	-52.7
General Merchandise	61,660	68,747	61,660	47,160	-10.3	-0.2	-55.3
Furniture	16,084	20,489	16,084	14,665	-21.5	-2.2	-27.1
Lumber	16,485	18,422	16,485	11,790	-10.5	-0.4	-2.2
Auto Dealers	143,428	157,908	143,428	126,255	-9.2	-14.5	-12.2
Service Stations	18,384	22,025	18,384	19,268	-16.5	17.7	22.2
All Other	61,692	56,311	61,692	38,379	9.6	-5.1	-53.7
Total	527,415	534,308	527,415	458,018	-1.3	-4.2	-24.3
TULSA MSA							
Food	116,832	111,763	116,832	110,501	4.5	2.2	-10.8
Apparel	14,447	15,486	14,447	11,797	-6.7	0.1	-52.6
General Merchandise	48,248	51,906	48,248	37,207	-7.0	-4.7	-50.3
Furniture	21,125	19,496	21,125	20,622	8.4	4.5	-16.0
Lumber	16,860	14,904	16,860	12,462	13.1	2.8	-2.3
Auto Dealers	83,455	91,880	83,455	73,461	-9.2	-14.5	-12.2
Service Stations	15,103	18,096	15,103	15,829	-16.5	17.7	22.2
All Other	6,531	7,526	6,531	1,612	-13.2	-3.3	-86.2
Total	322,601	331,057	322,601	283,491	-2.6	-3.2	-23.2
ENID MSA							
Food	9,794	9,807	9,794	9,436	-0.1	1.0	-7.5
Apparel	1,659	1,533	1,659	1,482	8.2	1.9	-38.1
General Merchandise	4,102	4,134	4,102	3,195	-0.8	5.3	-51.0
Furniture	1,013	970	1,013	866	4.4	-0.2	-25.3
Lumber	1,637	1,528	1,637	1,091	7.1	-2.4	-4.0
Auto Dealers	8,208	9,036	8,208	7,226	-9.2	-14.5	-12.2
Service Stations	1,355	1,623	1,355	1,421	-16.5	17.7	22.2
All Other	3,358	2,835	3,358	1,807	18.4	-5.7	-62.4
Total	31,126	31,466	31,126	26,524	-1.1	-3.4	-25.5
LAWTON MSA							
Food	15,358	14,331	15,358	13,879	7.2	0.9	-9.8
Apparel	1,597	1,631	1,597	1,266	-2.1	4.3	-50.5
General Merchandise	8,740	8,422	8,740	6,857	3.8	-9.5	-53.4
Furniture	2,626	2,474	2,626	2,517	6.1	1.0	-17.2
Lumber	1,890	2,030	1,890	1,486	-6.9	-1.2	4.5
Auto Dealers	10,940	12,045	10,940	9,630	-9.2	-14.5	-12.2
Service Stations	925	1,108	925	970	-16.5	17.7	22.2
All Other	4,203	4,423	4,203	2,773	-5.0	-15.8	-31.4
Total	46,279	46,464	46,279	39,378	-0.4	-6.5	-25.6
MUSKOGEE AREA							
Food	13,131	12,148	13,131	11,603	8.1	3.8	-6.3
Apparel	1,572	1,530	1,572	1,332	2.7	-9.7	-51.9
General Merchandise	3,084	3,361	3,084	2,531	-8.2	-11.5	-53.1
Furniture	1,268	1,119	1,268	1,208	13.3	4.1	-18.2
Lumber	559	606	559	375	-7.8	-4.3	-15.3
Auto Dealers	6,906	7,603	6,906	6,075	-9.2	-14.4	-12.2
Service Stations	1,179	1,414	1,179	1,244	-16.6	17.0	22.2
All Other	2,350	2,096	2,350	929	12.1	-17.6	-71.9
Total	30,049	29,877	30,049	25,297	0.6	-4.9	-25.0
STATE[a]							
Durable Goods	520,304	569,608	520,304	444,066	-8.7	-9.4	-18.5
Auto Dealers	358,422	394,601	358,422	315,507	-9.2	-14.5	-12.2
Accessory Dealers	28,295	29,648	28,295	23,880	-4.6	0.1	-18.6
Total Automotive	386,717	424,249	386,717	339,387	-8.8	-13.6	-12.7
Furniture	24,679	28,306	24,679	22,633	-12.8	-3.0	-22.6
Household Appliances	20,799	21,524	20,799	18,432	-3.4	-2.0	-23.9
Total Furniture and Appliances	45,478	49,830	45,478	41,065	-8.7	-2.5	-23.2
Lumber and Building Materials	59,368	56,777	59,368	43,328	4.6	1.9	-2.9
Hardware Stores	5,631	5,807	5,631	4,252	-3.0	0.0	-29.7
Total Lumber, Building Materials & Hardware	64,999	62,584	64,999	47,580	3.9	1.7	-6.1
Nondurable Goods	925,508	948,642	925,508	822,790	-2.4	-4.5	-33.1
Apparel	48,435	50,340	48,435	40,041	-3.8	0.0	-50.4
Drug Stores	41,235	42,226	41,235	33,621	-2.3	-7.8	-43.8
Eating and Drinking Places	171,000	151,187	171,000	148,321	13.1	1.2	-8.8
Food Group	419,034	376,792	419,034	411,563	11.2	1.9	-7.7
Service Stations	60,380	72,334	60,380	63,279	-16.5	17.7	22.2
General Merchandise Group	196,651	186,531	186,651	147,770	5.4	-4.6	-57.3
Total Retail Trade	1,445,812	1,518,250	1,445,812	1,266,856	-4.8	-6.3	-28.6

[a] Total includes data for categories not shown in the table.

ENID AND LAWTON MSAs
MUSKOGEE MA

Category	Jan. '87	Jan. '86	Jan. '87	Percentage Change	
				Jan '87/'86	Jan./Dec. '87/'86
ENID MSA					
Employment (Number)[a]					
Labor Force	30,100	31,700	30,100	-5.0	-0.7
Total Employment	27,500	29,700	27,500	-7.4	-1.4
Unemployment Rate (%)	8.7	6.2	8.7	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	10	224	10	-95.5	—
Number of Units	1	3	1	-66.7	—
Residential—Multi Family					
Dollar Value ($000)	0	0	0	0.0	0.0
Number of Units	0	0	0	0.0	0.0
Nonresidential					
Commercial ($000)	11	0	11	—	-69.1
Industrial ($000)	0	0	0	0.0	0.0
Institutional ($000)	0	0	0	0.0	0.0
Nonbuilding					
Streets and Highways ($000)	0	0	0	0.0	0.0
All Other Nonbuilding ($000)	14	0	14	—	—
Total Construction ($000)	35	224	35	-84.6	-1.4
LAWTON MSA					
Employment (Number)[a]					
Labor Force	47,800	47,400	47,800	0.8	-1.6
Total Employment	45,400	45,100	45,400	0.7	-1.5
Unemployment Rate (%)	5.2	4.8	5.2	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	951	1,285	951	-26.0	-8.9
Number of Units	13	23	13	-43.5	-23.5
Residential—Multi Family					
Dollar Value ($000)	0	140	0	—	0.0
Number of Units	0	4	0	—	0.0
Nonresidential					
Commercial ($000)	156	1,191	156	-86.9	71.4
Industrial ($000)	0	0	0	0.0	0.0
Institutional ($000)	0	0	0	0.0	0.0
Nonbuilding					
Streets and Highways ($000)	0	417	0	—	0.0
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	1,107	3,033	1,107	-63.5	-2.5
MUSKOGEE MA					
Employment (Number)[a]					
Labor Force	32,900	32,300	32,900	1.8	-1.2
Total Employment	29,800	28,900	29,800	3.1	-2.3
Unemployment Rate (%)	9.3	10.5	9.3	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	484	525	484	-7.8	-12.5
Number of Units	7	8	7	-12.5	-12.5
Residential—Multi Family					
Dollar Value ($000)	0	2,167	0	—	—
Number of Units	0	40	0	—	—
Nonresidential					
Commercial ($000)	150	30	150	399.7	-77.1
Industrial ($000)	0	0	0	0.0	0.0
Institutional ($000)	0	550	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	0	0	0	0.0	—
All Other Nonbuilding ($000)	0	15	0	—	0.0
Total Construction ($000)	634	3,287	634	-80.7	-67.3

[a] Includes revisions.

Sources for all tables: Local utilities companies; 10th Federal Reserve District Member Banks; Federal Home Loan Bank of Topeka; Oklahoma Employment Security Commission; United States Department of Commerce, Construction Statistics Division; Oklahoma Department of Transportation, *Progressive Report of the Transportation Director;* Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian M. Hickey, Research Assistant.

Printed by University Printing Services. Seven hundred copies were prepared and distributed at a total of $500.00. Cost to the taxpayers of the State of Oklahoma: $312.00. April 1987.

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73069. April 1987, volume 55, number 4, ISSN 0030-1671. Second class postage paid at Norman, Oklahoma 73070. Subscription price per year is $10.00 Postmaster: Send address changes to the *Oklahoma Business Bulletin,* 307 W. Brooks, Room 4, Norman, Oklahoma 73069.

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

OKLAHOMA CITY AND TULSA MSAs

Category	Jan. '87	Jan. '86	Jan. '87	Percentage Change Jan. '87/'86	Percentage Change Jan./Dec. '87/'86
OKLAHOMA CITY MSA					
Employment (Number)[a]					
Labor Force	498,600	508,600	498,600	-2.0	-2.7
Total Employment	466,100	478,600	466,100	-2.6	-2.9
Unemployment Rate (%)	6.5	5.9	6.0	—	—
Mortgage Loans Closed ($000,000)[b]	12.6	21.9	12.6	-42.5	-47.5
Bank Deposits ($000,000)[c]					
Demand Deposits	906	1,078	906	-15.9	0.4
Time and Savings Deposits	2,054	2,325	2,054	-11.7	17.8
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	8,086	17,047	8,086	-52.6	-15.9
Number of Units	138	296	138	-53.4	-12.1
Residential—Multi Family					
Dollar Value ($000)	0	9,807	0	—	—
Number of Units	0	296	0	—	—
Nonresidential					
Commercial ($000)	10,084	10,342	10,084	-2.5	80.5
Industrial ($000)	655	624	655	4.9	132.2
Institutional ($000)	0	301	0	—	—
Nonbuilding					
Streets and Highways ($000)	648	17,696	648	-96.3	-81.3
All Other Nonbuilding ($000)	203	396	203	-48.8	131.5
Total Construction ($000)	19,675	56,213	19,675	-65.0	-2.6
General Business Index	84.4	89.2	84.4	-5.4	0.9
TULSA MSA					
Employment (Number)[a]					
Labor Force	356,500	346,200	356,500	3.0	-0.4
Total Employment	325,200	319,500	325,200	1.8	-0.9
Unemployment Rate (%)	8.8	7.7	8.8	—	—
Mortgage Loans Closed ($000,000)[b]	39.5	14.1	39.5	180.1	83.7
Bank Deposits ($000,000)[c]					
Demand Deposits	896	758	896	18.1	4.8
Time and Savings Deposits	2,410	2,176	2,410	10.8	10.0
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	7,527	8,971	7,527	-16.1	-8.1
Number of Units	107	150	107	-28.7	-8.5
Residential—Multi Family					
Dollar Value ($000)	100	351	100	-71.6	—
Number of Units	5	14	5	-64.3	—
Nonresidential					
Commercial ($000)	5,301	5,229	5,301	1.4	321.5
Industrial ($000)	60	918	60	-93.5	-98.8
Institutional ($000)	0	1,163	0	—	—
Nonbuilding					
Streets and Highways ($000)	0	4,014	0	—	—
All Other Nonbuilding ($000)	195	340	195	-42.6	-0.9
Total Construction ($000)	13,182	20,987	13,182	-37.2	-13.5
General Business Index	86.7	90.5	86.7	-4.2	-0.8

[a] Includes revisions.

[b] By Savings and Loan Associations.

[c] Total deposits in Large Commercial Banks.

CONSTRUCTION, STATE

Category	Jan. '87	Jan. '86	Jan. '87	Percentage Change Jan. '87/'86	Percentage Change Jan./Dec. '87/'86
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	18,995	31,687	18,995	-40.1	-10.4
Number of Units	289	538	289	-46.3	-10.8
Residential—Multi Family					
Dollar Value ($000)	204	13,375	204	-98.5	-77.4
Number of Units	10	417	10	-97.6	-68.8
Nonresidential					
Commercial ($000)	17,126	19,529	17,126	-12.3	43.0
Industrial ($000)	723	1,542	723	-53.1	-86.8
Institutional ($000)	1,060	2,703	1,060	-60.8	20.3
Nonbuilding					
Streets and Highways ($000)	2,471	30,767	2,471	-92.0	-73.0
All Other Nonbuilding ($000)	420	1,125	420	-62.7	44.1
Total Construction ($000)	40,999	100,728	40,999	-59.3	-17.8

[a] Includes revisions.

5/29/87 U 8130-1 A

OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA

ISSN 0030-1671

May 1987

VOL. 55, ISSUE 5

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

SUMMARY OF INDICATORS

Category	2 Mos. '87	2 Mos. '86	Feb. '87	Percentage Change 2 Mos. '87/86	Percentage Change Feb./Jan. '87
Personal Income (Monthly Average)[a]					
Unadjusted ($000,000)	3,516	3,413	3,600	3.0	4.9
Adjusted for CPI ($000,000)	1,053.6	1,040.7	1,076.6	1.2	4.5
Crude Oil Production (000 bbl)[b]	10,116	13,949	10,116	-27.5	-0.8
Industrial Power Sales (000,000 Kwh)[c]	1,288	1,399	654	-7.9	3.2
Total Bank Deposits (Monthly Average) ($000,000)[d]					
Demand	7,556	7,756	7,572	-2.6	0.4
Savings	26,304	27,536	26,213	-4.5	-0.7
Savings and Loan Associations ($000,000)					
Assets	NA	NA	NA	—	—
Mortgage Loans Closed	NA	NA	NA	—	—
Employment[a,e]					
Total Labor Force (000)	1,561.65	1,564.3	1,562.4	-0.2	0.1
Total Employment (000)	1,427.2	1,446.2	1,426.7	-1.3	-0.1
Unemployment Rate (%)	8.6	7.6	8.7	—	—
General Business Index	91.7	93.4	91.7	-1.8	0.0

[a] Includes revisions.

[b] 1 month and January data.

[c] Sales of larger privately owned utility companies.

[d] Total deposits of all depository institutions.

[e] Civilian Labor Force.

RETAIL TRADE IN SELECTED CITIES
($000)

	Feb. '87		Adjusted	
			'87/'86	1987
City	Adjusted	Unadjusted	2 Mos.	Feb./Jan.
Ada	14,516	12,867	0.2	-1.3
Altus	13,522	12,048	5.1	-0.1
Alva	4,083	3,542	-4.8	0.5
Anadarko	6,115	5,490	10.4	0.0
Ardmore	19,513	17,038	-0.3	-1.1
Bartlesville	18,051	15,987	-11.5	-1.4
Blackwell	3,289	2,879	-8.6	-0.9
Broken Arrow	18,641	16,110	-2.2	-1.2
Chickasha	9,361	8,197	-6.6	-1.2
Clinton	5,815	5,175	-10.9	-2.3
Cushing	6,209	5,432	-3.4	-0.7
Del City	9,546	8,361	-6.1	-2.5
Duncan	12,833	11,501	-8.6	-1.4
Durant	9,578	8,300	0.2	-0.4
Edmond	25,547	22,139	1.6	-1.8
Elk City	8,051	7,112	-4.5	-0.7
El Reno	7,570	6,868	-8.2	-9.1
Guthrie	5,960	4,930	-5.0	0.3
Guymon	5,212	4,374	1.1	-0.4
Henryetta	5,705	4,881	6.4	0.8
Hobart	2,439	2,190	-7.8	-4.6
Holdenville	3,065	2,684	-1.2	-1.5
Hugo	3,172	2,925	1.2	-3.8
Idabel	3,901	3,415	-9.5	-2.1
Lawton	43,388	38,425	-8.3	-0.9
McAlester	10,488	8,517	-7.3	-1.3
Miami	14,227	12,248	10.7	0.6
Midwest City	37,163	31,240	-3.0	5.9
Moore	11,377	10,157	-6.4	-1.3
Muskogee	28,203	23,581	-2.3	-0.4
Norman	61,395	54,935	-6.1	-0.9
Oklahoma City	256,697	222,164	-7.6	-1.4
Okmulgee	6,135	5,461	-0.2	-0.9
Pauls Valley	4,147	3,857	-5.8	9.0
Pawhuska	1,894	1,640	-2.1	-0.7
Ponca City	15,950	13,409	-0.4	-3.0
Poteau	4,959	4,220	-3.3	-0.9
Sand Springs	8,646	7,439	4.8	-1.1
Sapulpa	15,130	12,812	1.7	-2.1
Seminole	8,140	6,881	8.7	-0.5
Shawnee	23,019	20,035	1.3	-0.5
Stillwater	20,845	18,284	2.0	0.0
Tahlequah	7,940	6,736	2.1	-0.5
Tulsa	241,793	214,951	-2.5	0.1
Watonga	1,877	1,623	0.2	-0.4
Weatherford	5,808	5,305	-10.1	-2.0
Wewoka	1,183	1,061	-6.5	-1.9
Woodward	13,214	11,460	7.0	0.0
Total	1,065,311	930,886	-3.8	-0.6

RETAIL TRADE IN METRO AREAS AND STATE
($000)

					Percentage Change		
	2 Mos. '87	2 Mos. '86	Feb. '87		2 Mos. '87/'86	Feb./Jan. '87	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	388,274	354,541	193,991	185,908	9.5	-0.2	-1.1
Apparel	31,175	33,676	15,551	11,986	-7.4	-0.5	-4.5
General Merchandise	121,497	137,383	60,093	45,955	-11.6	-2.1	-2.6
Furniture	31,951	40,965	15,856	13,922	-22.0	-1.5	-5.1
Lumber	32,501	38,325	16,077	12,505	-15.2	-2.1	6.1
Auto Dealers	279,165	316,274	137,726	128,716	-11.7	-2.6	1.9
Service Stations	35,160	41,915	16,622	14,906	-16.1	-10.3	-22.6
All Other	124,484	115,087	62,623	37,508	8.2	1.2	-2.3
Total	1,044,207	1,078,166	518,539	451,406	-3.1	-1.4	-1.4
TULSA MSA							
Food	234,139	225,458	117,101	112,015	3.9	0.1	1.4
Apparel	28,788	31,374	14,341	11,221	-8.2	-0.7	-4.9
General Merchandise	93,950	102,911	46,741	36,463	-8.7	-1.0	-2.0
Furniture	40,273	38,152	19,356	17,899	5.6	-7.5	-13.2
Lumber	32,952	31,261	16,142	12,535	5.4	-4.0	0.6
Auto Dealers	162,435	184,026	80,138	74,893	-11.7	-2.6	1.9
Service Stations	28,885	34,438	13,654	12,245	-16.1	-10.3	-22.6
All Other	16,411	19,346	8,974	2,818	-15.2	25.1	74.8
Total	637,833	666,966	316,447	280,089	-4.4	-1.5	-1.2
ENID MSA							
Food	19,449	19,704	9,660	8,846	-1.3	-1.3	-6.3
Apparel	3,378	3,273	1,710	1,442	3.2	2.5	-2.7
General Merchandise	8,113	8,304	4,015	3,017	-2.3	-2.0	-5.6
Furniture	2,005	1,941	995	841	3.3	-1.6	-2.9
Lumber	3,123	3,241	1,508	985	-3.7	-6.6	-9.7
Auto Dealers	15,977	18,098	7,883	7,367	-11.7	-2.6	2.0
Service Stations	2,593	3,091	1,225	1,099	-16.1	-10.4	-22.7
All Other	6,811	6,331	3,482	2,352	7.6	4.6	30.2
Total	61,449	63,983	30,478	25,949	-4.0	-1.6	-2.2
LAWTON MSA							
Food	30,805	29,209	15,433	13,922	5.5	0.4	0.3
Apparel	3,164	3,318	1,575	1,211	-4.7	-0.8	-4.3
General Merchandise	17,844	17,943	9,129	7,728	-0.5	4.7	12.7
Furniture	5,239	4,991	2,610	2,510	5.0	-0.8	-0.3
Lumber	3,779	4,265	1,891	1,595	-11.4	0.1	7.3
Auto Dealers	21,294	24,125	10,506	9,818	-11.7	-2.6	2.0
Service Stations	1,770	2,108	837	750	-16.0	-10.3	-22.7
All Other	7,942	8,364	3,806	3,088	-5.0	-8.0	11.4
Total	91,837	94,323	45,787	40,622	-2.6	-0.6	3.2
MUSKOGEE AREA							
Food	25,384	24,039	12,412	11,100	5.6	-4.3	-4.3
Apparel	3,123	3,072	1,557	1,173	1.7	-0.6	-11.9
General Merchandise	6,259	6,972	3,190	2,542	-10.2	3.9	0.4
Furniture	2,516	2,267	1,249	1,099	11.0	-1.4	-9.0
Lumber	1,045	1,252	502	351	-16.5	-7.4	-6.4
Auto Dealers	13,440	15,226	6,630	6,193	-11.7	-2.7	1.9
Service Stations	2,257	2,694	1,068	962	-16.2	-10.2	-22.7
All Other	4,766	4,772	2,347	1,160	-0.1	-2.9	24.9
Total	58,790	60,294	28,955	24,580	-2.5	-2.9	-2.8
STATE[a]							
Durable Goods	1,020,363	1,151,686	505,598	446,992	-11.4	-1.8	0.7
Auto Dealers	697,627	790,346	344,174	321,658	-11.7	-2.6	1.9
Accessory Dealers	56,337	60,377	28,053	22,504	-6.7	-0.8	-5.8
Total Automotive	753,964	850,723	372,227	344,162	-11.4	-2.5	1.4
Furniture	48,972	57,202	24,328	20,462	-14.4	-1.3	-9.6
Household Appliances	41,069	43,208	20,342	17,446	-5.0	-1.9	-5.3
Total Furniture and Appliances	90,041	100,410	44,670	37,908	-10.3	-1.5	-7.7
Lumber and Building Materials	116,633	117,596	57,456	44,482	-0.8	-2.9	2.7
Hardware Stores	11,154	11,642	5,535	4,182	-4.2	-1.5	-1.6
Total Lumber, Building Materials & Hardware	127,787	129,238	62,991	48,664	-1.1	-2.8	2.3
Nondurable Goods	1,924,521	1,909,877	998,025	862,894	0.8	7.7	4.9
Apparel	97,234	102,394	48,750	37,414	-5.0	0.6	-6.6
Drug Stores	78,268	82,958	38,714	36,097	-5.7	-2.1	7.4
Eating and Drinking Places	342,559	308,604	171,510	150,683	11.0	0.3	1.6
Food Group	843,445	765,984	423,244	390,276	10.1	0.7	-5.2
Service Stations	115,479	137,655	54,589	48,953	-16.1	-10.3	-22.6
General Merchandise Group	392,159	378,531	194,962	143,251	3.6	-1.1	-3.1
Total Retail Trade	2,944,884	3,061,563	1,503,623	1,309,886	-3.8	4.3	3.4

[a] Total includes data for categories not shown in the table.

ENID AND LAWTON MSAs
MUSKOGEE MA

				Percentage Change	
Category	2 Mos. '87	2 Mos. '86	Feb. '87	2 Mos. '87/'86	Feb./Jan. '87
ENID MSA					
Employment (Number)[a]					
Labor Force	29,638	31,612	29,475	-6.2	-1.1
Total Employment	27,038	29,425	26,875	-8.1	-1.1
Unemployment Rate (%)	8.8	6.9	8.8	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	10	386	0	-97.4	—
Number of Units	1	6	0	-83.3	—
Residential—Multi Family					
Dollar Value ($000)	0	0	0	0.0	0.0
Number of Units	0	0	0	0.0	0.0
Nonresidential					
Commercial ($000)	16	70	5	-76.9	-50.5
Industrial ($000)	0	0	0	0.0	0.0
Institutional ($000)	0	0	0	0.0	0.0
Nonbuilding					
Streets and Highways ($000)	0	0	0	0.0	0.0
All Other Nonbuilding ($000)	27	0	14	—	-1.1
Total Construction ($000)	53	456	19	-88.3	-45.2
LAWTON MSA					
Employment (Number)[a]					
Labor Force	47,212	47,387	47,000	-0.4	-0.9
Total Employment	44,675	44,050	44,400	1.4	-1.2
Unemployment Rate (%)	5.4	5.0	5.5	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	2,064	2,798	1,113	-26.3	17.1
Number of Units	34	50	21	-32.0	61.5
Residential—Multi Family					
Dollar Value ($000)	400	687	400	-41.7	—
Number of Units	16	28	16	-42.9	—
Nonresidential					
Commercial ($000)	306	1,256	150	-75.6	-3.8
Industrial ($000)	20	0	20	—	—
Institutional ($000)	0	0	0	0.0	0.0
Nonbuilding					
Streets and Highways ($000)	0	417	0	—	0.0
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	2,790	5,157	1,683	-45.9	52.1
MUSKOGEE MA					
Employment (Number)[a]					
Labor Force	32,938	32,262	32,975	2.1	0.2
Total Employment	29,912	28,938	29,975	3.4	0.4
Unemployment Rate (%)	9.2	10.3	9.1	—	—
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	968	932	484	3.8	0.0
Number of Units	14	14	7	0.0	0.0
Residential—Multi Family					
Dollar Value ($000)	0	2,167	0	—	0.0
Number of Units	0	40	0	—	0.0
Nonresidential					
Commercial ($000)	496	196	347	152.7	131.1
Industrial ($000)	866	751	866	15.3	—
Institutional ($000)	0	559	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	0	0	0	0.0	0.0
All Other Nonbuilding ($000)	0	25	0	—	0.0
Total Construction ($000)	2,330	4,631	1,696	-49.7	167.6

[a] Includes revisions.

Sources for all tables: Local utilities companies; 10th Federal Reserve District Member Banks; Federal Home Loan Bank of Topeka; Oklahoma Employment Security Commission; United States Department of Commerce, Construction Statistics Division; Oklahoma Department of Transportation, *Progressive Report of the Transportation Director;* Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian M. Hickey, Research Assistant.

Printed by University Printing Services. Seven hundred copies were prepared and distributed at a total of $500.00. Cost to the taxpayers of the State of Oklahoma: $312.00. May 1987.

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73069. May 1987, volume 55, number 5, ISSN 0030-1671. Second class postage paid at Norman, Oklahoma 73070. Subscription price per year is $10.00 Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73069. NOTE: Beginning January 1987 articles formerly published in *Review of Regional Economics and Business* will be incorporated into the March and September issues of the *Oklahoma Business Bulletin.*

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

OKLAHOMA CITY AND TULSA MSAs

Category	2 Mos. '87	2 Mos. '86	Feb. '87	Percentage Change 2 Mos.'87/'86	Percentage Change Feb./Jan. '87
OKLAHOMA CITY MSA					
Employment (Number)[a]					
Labor Force	499,400	509,100	499,700	-1.9	0.1
Total Employment	465,550	478,500	465,400	-2.7	0.0
Unemployment Rate (%)	6.8	6.0	6.9	—	—
Mortgage Loans Closed ($000,000)[b]	25.9	40.0	13.3	-35.2	5.6
Bank Deposits ($000,000)[c]					
Demand Deposits	953.6	1,090.8	1,000.9	-12.6	10.4
Time and Savings Deposits	1,998.2	2,326.3	1,942.8	-14.1	-5.4
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	19,025	32,876	10,939	-42.1	35.3
Number of Units	317	576	179	-45.0	29.7
Residential—Multi Family					
Dollar Value ($000)	840	9,995	840	-91.6	—
Number of Units	40	302	40	-86.8	—
Nonresidential					
Commercial ($000)	16,712	21,074	6,628	-20.7	-34.3
Industrial ($000)	1,229	1,266	574	-3.0	-12.3
Institutional ($000)	1,580	1,266	1,580	24.7	—
Nonbuilding					
Streets and Highways ($000)	2,562	18,134	1,914	-85.9	195.3
All Other Nonbuilding ($000)	452	942	249	-52.1	23.0
Total Construction ($000)	42,398	85,553	22,723	-50.4	15.5
General Business Index	85.9	88.7	87.5	-3.1	0.9
TULSA MSA					
Employment (Number)[a]					
Labor Force	356,900	346,950	357,300	2.9	0.2
Total Employment	324,400	319,400	323,600	1.6	-0.5
Unemployment Rate (%)	9.1	8.0	9.4	—	—
Mortgage Loans Closed ($000,000)[b]	59.6	37.8	20.1	57.7	-49.1
Bank Deposits ($000,000)[c]					
Demand Deposits	878.5	735.0	861.4	19.5	-3.8
Time and Savings Deposits	2,415.2	2,123.6	2,420.1	13.7	0.4
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	15,649	16,088	8,110	-2.7	7.6
Number of Units	213	262	106	-18.7	-0.9
Residential—Multi Family					
Dollar Value ($000)	386	7,639	238	-95.0	60.7
Number of Units	16	175	12	-90.9	200.0
Nonresidential					
Commercial ($000)	6,459	6,510	1,226	-0.8	-87.8
Industrial ($000)	806	1,215	746	-33.7	E
Institutional ($000)	2,331	3,024	2,161	-22.9	E
Nonbuilding					
Streets and Highways ($000)	381	4,279	381	-91.1	—
All Other Nonbuilding ($000)	363	1,000	170	-63.7	-11.9
Total Construction ($000)	26,374	39,756	13,031	-33.7	-2.3
General Business Index	86.8	90.4	86.9	-4.0	0.1

E = Exceeds 600 percent.

[a] Includes revisions.

[b] By Savings and Loan Associations.

[c] Total deposits in Large Commercial Banks.

CONSTRUCTION, STATE

Category	2 Mos. '87	2 Mos. '86	Feb. '87	Percentage Change 2 Mos. '87/'86	Percentage Change Feb./Jan. '87
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	41,784	59,007	22,838	-29.2	20.5
Number of Units	629	1,003	341	-37.3	18.4
Residential—Multi Family					
Dollar Value ($000)	2,016	21,533	1,764	-90.6	599.9
Number of Units	84	613	75	-86.3	E
Nonresidential					
Commercial ($000)	26,011	32,604	8,995	-20.2	-47.1
Industrial ($000)	2,929	3,310	2,206	-11.5	205.1
Institutional ($000)	5,032	6,761	3,802	-25.6	209.1
Nonbuilding					
Streets and Highways ($000)	9,212	36,290	6,740	-74.6	172.8
All Other Nonbuilding ($000)	868	2,574	451	-66.3	8.1
Total Construction ($000)	87,854	162,080	46,797	-45.8	14.0

E = Exceeds 600 percent.

[a] Includes revisions.

7/17/87

OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA

ISSN 0030-1671

June 1987

VOL. 55, ISSUE 6

The *Oklahoma Business Bulletin* is now combined with the *Review of Regional Economics and Business*. There will be four quarterly expanded editions of the *Bulletin* which will contain both articles and the usual statistical information on Oklahoma and its major centers. The remaining eight monthly issues of the *Bulletin* will contain only the statistical summaries, although articles on timely subjects might also appear in these inter-quarterly issues. The combination of these two publications will provide a more thorough examination of economic problems prevalent in Oklahoma as well as continuing to provide economic data which has long been presented in the *Oklahoma Business Bulletin*.

This publication change at the Center has been assisted by funding provided by the Robert S. and Grayce B. Kerr Foundation Inc., for which the Center is most grateful.

We at the Center are most hopeful that the Oklahoma oriented articles will assist State leaders and citizens in their efforts to solve the economic problems now facing the State.

George W. England
Director

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73069. June 1987, volume 55, number 6, ISSN 0030-1671. Second class postage paid at Norman, Oklahoma 73070. Subscription price per year is $10.00 Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73069.

The Editorial Review Board welcomes original manuscripts, studies, and research reports from persons in both the public and private sector in any area of economics and business administration. The editorial policy of the *Bulletin* promotes a free exchange of ideas and analyses. Accordingly, the contents do not necessarily reflect the views of the editor or the publisher.

Manuscripts for consideration should be typed, double-spaced, and submitted in duplicate. Each submitted manuscript is reviewed by at least two members of the Editorial Review Board and a decision is usually reached in four to six weeks.

ISSN 0145-3971

PUBLICATIONS STAFF

Director	GEORGE W. ENGLAND
Associate Director	NEIL J. DIKEMAN, JR.
Statistician	MARJORIE EARLEY
Editor	ALICE WATKINS
Typesetter	PAT WICKHAM
Graphics	ROY YEOW
Copyreader	MARILYN CAIN

EDITORIAL REVIEW BOARD

CLYDE C. COLE President, Tulsa Chamber of Commerce, Tulsa, Oklahoma.

JAMES A. CONSTANTIN David Ross Boyd Professor Emeritus, College of Business Administration, University of Oklahoma, Norman, Oklahoma.

JAMES E. HIBDON Professor of Economics, University of Oklahoma, Norman, Oklahoma.

H.E. RAINBOLT Chairman of the Board, Federal National Bank & Trust Company, Shawnee, Oklahoma.

ROBERT L. SANDMEYER Dean, College of Business Administration, Oklahoma State University, Stillwater, Oklahoma.

WILLIS J. WHEAT Executive Vice President, Liberty National Bank & Trust Company, Oklahoma City, Oklahoma.

DANIEL A. WREN Professor of Management, University of Oklahoma, Norman, Oklahoma.

Address all manuscripts and correspondence to:

Oklahoma Business Bulletin
Center for Economic and Management Research
307 West Brooks, Room 4
Norman, Oklahoma 73019

The *Oklahoma Business Bulletin* is published by the Center for Economic and Management Research, College of Business Administration, The University of Oklahoma.

©1987 by the Center for Economic and Management Research.
Printed in the United States of America.

SUMMARY OF INDICATORS

				Percentage Change	
Category	3 Mos. '87	3 Mos. '86	March '87	3 Mos. '87/'86	March/Feb. '87
Personal Income (Monthly Average)[a]					
Unadjusted ($000,000)	3,552.7	3,412.7	3,625.1	4.1	0.7
Adjusted for CPI ($000,000)	1,062.1	1,042.7	1,079.2	1.9	0.2
Crude Oil Production (000 bbl)	31,266	39,453	11,238	-20.8	13.4
Industrial Power Sales (000,000 Kwh)[b]	1,928	2,060	640	-6.4	-2.2
Total Bank Deposits ($000,000)[c]					
Demand	7,534	7,665	7,491	-1.7	-1.1
Savings	26,066	27,530	25,590	-5.3	-2.4
Savings and Loan Associations ($000,000)					
Assets	10,098.5	9,982.3	10,164.4	1.2	3.8
New Mortgage Loans	226.4	260.8	70.0	-13.2	7.5
General Business Index	93.1	92.2	95.7	0.2	4.4

[a] Includes revisions.
[b] Sales of larger privately owned utility companies.
[c] Total deposits of all depository institutions.

SELECTED ECONOMIC INDICATORS

				Percentage Change	
Category	3 Mos. '87	3 Mos. '86	March '87	3 Mos. '87/'86	March/Feb. '87
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	81,649	94,077	39,939	-13.2	75.5
Number of Units	1,267	1,562	641	-18.9	89.6
Residential—Multi Family					
Dollar Value ($000)	12,340	34,204	10,423	-63.9	526.1
Number of Units	537	1,040	458	-48.4	554.3
Nonresidential					
Commercial ($000)	55,455	48,199	19,153	15.1	-0.7
Industrial ($000)	4,272	4,967	1,892	-14.0	14.2
Institutional ($000)	10,008	16,747	5,623	-40.2	78.2
Nonbuilding					
Streets and Highways ($000)	20,703	50,403	11,494	-58.9	70.5
All Other Nonbuilding ($000)	1,593	3,877	813	-58.9	124.4
Total Construction ($000)	186,019	252,473	89,335	-26.3	60.6
EMPLOYMENT TRENDS					
Total Labor Force (000)[a]	1,563.2	1,573.4	1,566.2	-6.5	0.2
Total Employment (000)	1,429.1	1,452.2	1,432.8	-1.6	0.4
Agriculture (000)	32.4	43.4	35.5	-25.4	14.1
Nonagriculture (000)	1,396.7	1,408.8	1,397.3	-0.9	0.1
Manufacturing (000)	158.6	166.8	158.0	-4.9	-0.5
Mining (000)	52.9	59.7	52.7	-11.4	0.0
Government (000)	253.9	254.5	255.6	-0.2	0.2
Contract Construction (000)	38.1	39.1	38.5	-2.6	2.1
Services (000)	222.8	221.8	224.9	0.4	1.3
Retail Trade (000)	212.3	213.5	210.3	-0.6	-0.3
Unemployment Rate (%)	8.6	7.7	8.5	—	—
Average Weekly Hours					
Manufacturing (Per Worker)	41.2	41.1	41.1	0.2	-0.7
Average Weekly Earnings					
Manufacturing ($ Per Worker)	405.76	409.32	408.53	-0.9	0.9
Contract Construction ($ Per Worker)	417.10	389.42	432.71	7.1	4.3
Retail Trade Excluding Eating and Drinking Places($ Per Worker)	187.31	186.98	189.72	0.2	0.5

Note: Includes revisions.
[a] Civilian Labor Force.

RETAIL TRADE IN METRO AREAS AND STATE
($000)

					Percentage Change		
	3 Mos. '87	3 Mos. '86	March '87		3 Mos. '87/'86	March/Feb. '87	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	549,319	537,891	178,575	184,273	2.1	-2.5	5.9
Apparel	46,421	50,232	15,496	15,297	-7.6	-8.8	16.3
General Merchandise	175,717	202,669	57,380	53,550	-13.3	-4.3	13.4
Furniture	73,845	61,795	22,446	21,141	19.5	-14.5	-7.9
Lumber	41,271	57,104	13,977	14,084	-27.7	2.8	41.4
Auto Dealers	403,593	470,183	127,385	117,139	-14.2	-6.3	-9.0
Service Stations	51,590	59,087	16,355	14,877	-12.7	-2.1	-0.2
All Other	182,791	175,078	54,166	54,352	4.4	-17.2	18.0
Total	1,524,547	1,614,039	485,780	474,713	-5.5	-6.2	3.9
TULSA MSA							
Food	327,791	338,289	107,900	108,932	-3.1	-1.3	4.7
Apparel	42,324	45,670	14,469	14,017	-7.3	3.9	32.7
General Merchandise	139,801	152,638	47,231	45,603	-8.4	-1.7	20.7
Furniture	57,123	58,264	17,944	17,144	-2.0	-0.3	6.9
Lumber	36,309	47,394	12,042	11,749	-23.4	-7.0	31.1
Auto Dealers	234,836	273,580	74,121	68,157	-14.2	-6.3	-9.0
Service Stations	42,381	48,546	13,435	12,221	-12.7	-2.1	-0.2
All Other	19,278	22,059	4,412	4,068	-12.6	-48.9	-16.9
Total	899,843	986,440	291,554	281,891	-8.8	-4.0	4.6
ENID MSA							
Food	27,028	29,520	8,275	8,222	-8.4	-9.6	-3.0
Apparel	4,419	4,871	1,388	1,431	-9.3	-2.3	25.5
General Merchandise	11,691	12,623	3,839	3,678	-7.4	-1.2	25.0
Furniture	3,221	2,913	962	961	10.6	-23.7	-10.8
Lumber	3,939	4,798	1,261	1,215	-17.9	-6.9	35.6
Auto Dealers	23,099	26,906	7,290	6,704	-14.1	-6.3	-9.0
Service Stations	3,804	4,358	1,206	1,097	-12.7	-2.0	-0.2
All Other	8,379	12,923	2,481	2,290	-35.2	-10.6	15.1
Total	85,580	98,912	26,702	25,598	-13.5	-7.5	2.4
LAWTON MSA							
Food	49,045	44,215	15,180	15,633	10.9	15.2	4.2
Apparel	5,619	5,012	1,781	1,809	12.1	1.8	34.5
General Merchandise	35,761	27,028	11,889	10,546	32.3	-7.0	-1.0
Furniture	6,411	7,661	2,115	2,222	-16.3	7.4	20.9
Lumber	4,637	6,300	1,703	1,666	-26.4	15.1	30.5
Auto Dealers	30,785	35,864	9,717	8,935	-14.2	-6.3	-9.0
Service Stations	2,596	2,971	823	748	-12.6	-2.1	-0.3
All Other	11,162	11,584	3,664	3,841	-3.6	-48.1	12.0
Total	146,016	140,635	46,872	45,400	3.8	-5.2	2.9
MUSKOGEE AREA							
Food	35,477	35,670	11,636	11,162	-0.5	-1.9	2.5
Apparel	5,121	4,579	1,660	1,715	11.8	-3.2	30.6
General Merchandise	9,371	10,604	3,345	3,280	-11.6	17.3	47.4
Furniture	3,138	3,541	964	854	-11.4	-15.4	-14.9
Lumber	1,419	1,829	475	441	-22.4	-0.2	34.9
Auto Dealers	19,428	22,634	6,131	5,636	-14.2	-6.3	-9.0
Service Stations	3,364	3,853	1,095	960	-12.7	1.5	-0.2
All Other	9,006	7,354	2,639	2,620	22.5	-15.0	52.2
Total	86,324	90,064	27,945	26,668	-4.2	-2.9	8.2
STATE[a]							
Durable Goods	1,457,335	1,688,965	469,596	430,892	-13.7	-3.9	-2.5
Auto Dealers	1,008,568	1,174,955	318,332	292,728	-14.2	-6.3	-9.0
Accessory Dealers	83,415	88,737	29,723	27,925	-6.0	7.8	23.8
Total Automotive	1,091,983	1,263,692	348,055	320,653	-13.6	-5.2	-6.8
Furniture	67,994	77,108	23,099	21,955	-11.8	4.8	17.6
Household Appliances	60,090	62,982	18,893	17,344	-4.6	-13.5	-9.9
Total Furniture and Appliances	128,084	140,090	41,992	39,299	-8.6	-4.3	3.6
Lumber and Building Materials	137,772	177,287	45,070	45,041	-22.3	-5.3	29.6
Hardware Stores	15,941	17,111	5,459	5,287	-6.8	0.5	25.0
Total Lumber, Building Materials & Hardware	153,713	194,398	50,529	50,328	-20.9	-4.7	29.1
Nondurable Goods	2,793,404	2,781,897	914,180	869,696	0.4	-0.8	9.5
Apparel	157,702	157,792	52,526	51,856	-0.1	-1.3	28.2
Drug Stores	138,107	122,682	43,125	42,681	12.6	-3.5	-0.3
Eating and Drinking Places	477,326	463,866	152,502	156,591	2.9	-6.2	7.9
Food Group	1,158,190	1,127,516	367,282	368,503	2.7	-2.5	6.0
Service Stations	169,427	194,040	53,715	48,858	-12.7	-2.1	-0.2
General Merchandise Group	473,595	505,485	161,897	141,448	-6.3	3.1	22.5
Total Retail Trade	4,250,739	4,470,862	1,383,776	1,300,588	-4.9	-1.9	5.2

[a] Total includes data for categories not shown in the table.

RETAIL TRADE IN SELECTED CITIES
($000)

					Percentage Change		
	3 Mos. '87	3 Mos. '86	March '87		3 Mos. '87/'86	March/Feb. '87	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
Ada	40,363	43,667	13,210	12,740	-7.6	-1.9	6.0
Altus	35,535	39,129	11,353	10,994	-9.2	-2.4	6.2
Alva	9,906	12,645	2,692	2,496	-21.7	-23.8	-18.8
Anadarko	15,742	16,434	6,151	6,203	-4.2	29.0	43.6
Ardmore	54,040	56,540	16,755	15,985	-4.4	-9.6	-1.9
Bartlesville	55,721	61,027	17,961	17,231	-8.7	-5.1	0.7
Blackwell	8,705	10,653	2,825	2,697	-18.3	-4.9	2.4
Broken Arrow	52,556	57,131	16,925	16,428	-8.0	-2.7	9.2
Chickasha	25,427	29,516	8,201	8,009	-13.9	-3.4	4.3
Clinton	18,126	19,588	5,864	5,455	-7.5	-3.0	1.1
Cushing	14,949	19,091	4,870	5,036	-21.7	-2.1	14.2
Del City	35,747	30,002	9,142	8,995	19.1	-44.6	-42.2
Duncan	36,801	42,303	12,121	11,696	-13.0	-3.5	3.5
Durant	27,693	28,600	9,372	8,590	-3.2	9.9	15.8
Edmond	67,729	75,269	21,877	21,369	-10.0	-4.4	3.6
Elk City	20,549	24,902	6,792	6,441	-17.5	0.5	7.4
El Reno	21,413	25,535	6,845	6,785	-16.1	-3.5	4.0
Guthrie	15,268	18,398	4,835	4,621	-17.0	-7.2	6.3
Guymon	13,072	15,217	4,281	4,027	-14.1	-1.9	7.9
Henryetta	13,158	15,829	4,244	4,135	-16.9	-3.1	10.4
Hobart	6,736	7,962	2,082	2,032	-15.4	-3.7	3.4
Holdenville	7,704	9,277	2,441	2,418	-17.0	-7.0	2.8
Hugo	7,106	9,462	2,234	2,075	-24.9	-4.7	-6.2
Idabel	11,215	12,866	3,629	3,522	-12.8	-3.4	5.7
Lawton	146,425	141,949	46,486	44,770	3.2	-6.2	2.1
McAlester	27,575	32,885	8,225	7,837	-16.1	-14.2	-4.7
Miami	32,289	37,949	10,369	10,154	-14.9	-5.1	6.3
Midwest City	95,351	108,838	31,320	31,997	-12.4	-6.8	7.6
Moore	38,981	37,321	12,356	12,334	4.4	-7.0	5.8
Muskogee	83,255	86,271	26,925	25,652	-3.5	-4.7	7.4
Norman	167,723	192,987	54,323	51,310	-13.1	-4.7	-1.4
Oklahoma City	771,238	833,909	250,404	242,073	-7.5	-3.1	7.9
Okmulgee	15,131	18,081	4,549	4,467	-16.3	-12.5	-5.6
Pauls Valley	10,685	12,682	3,468	3,303	-15.7	-4.8	-1.8
Pawhuska	5,112	5,980	1,718	1,542	-14.5	-6.2	0.0
Ponca City	43,265	48,119	13,746	13,095	-10.1	-6.7	2.7
Poteau	12,781	14,993	4,047	3,889	-14.8	-6.4	0.5
Sand Springs	23,751	24,804	7,852	7,761	-4.2	2.6	17.2
Sapulpa	35,388	43,449	11,365	11,140	-18.6	-3.9	5.7
Seminole	17,018	21,539	5,707	5,422	-21.0	1.4	11.0
Shawnee	69,496	68,438	22,211	20,627	1.5	-4.3	2.9
Stillwater	68,752	62,095	22,207	20,217	10.7	-4.4	0.1
Tahlequah	22,407	23,151	7,284	6,924	-3.2	-3.2	7.6
Tulsa	684,751	741,056	222,921	214,497	-7.6	-3.6	3.7
Watonga	4,343	5,622	1,392	1,335	-22.7	-7.1	2.2
Weatherford	14,785	18,987	4,852	4,577	-22.1	0.9	2.6
Wewoka	3,632	3,752	1,232	1,205	-3.2	-0.9	5.0
Woodward	31,295	36,882	9,856	9,381	-15.1	-6.3	2.5
Total Selected Cities	3,040,690	3,302,782	981,517	945,489	-7.9	-4.6	4.0

ENID AND LAWTON MSAs

Category	3 Mos. '87	3 Mos. '86	March '87	Percentage Change	
				3 Mos. '87/'86	March/Feb. '87
ENID MSA					
Employment (Number)[a]					
Labor Force	29,700	31,667	29,800	-6.2	1.0
Total Employment	27,100	29,400	27,200	-7.8	1.1
Unemployment Rate (%)	8.7	7.1	8.7	—	—
Industrial Power Sales (000 Kwh)	110,219	122.449	34,762	-10.0	-1.3
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	10	736	0	-98.6	0.0
Number of Units	1	10	0	-90.0	0.0
Residential—Multi Family					
Dollar Value ($000)	0	0	0	0.0	0.0
Number of Units	0	0	0	0.0	0.0
Nonresidential					
Commercial ($000)	22	70	6	-68.9	5.1
Industrial ($000)	444	0	444	—	—
Institutional ($000)	0	0	0	0.0	0.0
Nonbuilding					
Streets and Highways ($000)	0	0	0	0.0	0.0
All Other Nonbuilding ($000)	71	0	44	—	223.9
Total Construction ($000)	547	806	494	-32.1	E
LAWTON MSA					
Employment (Number)[a]					
Labor Force	47,342	47,667	47,600	-0.7	1.3
Total Employment	44,817	45,300	45,100	-1.1	1.6
Unemployment Rate (%)	5.4	4.9	5.3	—	—
Industrial Power Sales (000 Kwh)	44,072	41,065	15,582	7.3	6.0
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	5,551	5,709	3,488	-2.8	213.3
Number of Units	87	98	53	-11.2	152.4
Residential—Multi Family					
Dollar Value ($000)	400	767	0	-47.8	0
Number of Units	16	30	0	-46.7	—
Nonresidential					
Commercial ($000)	1,035	1,546	729	-33.1	386.0
Industrial ($000)	20	150	0	-86.7	—
Institutional ($000)	0	0	0	0.0	0.0
Nonbuilding					
Streets and Highways ($000)	0	417	0	—	0.0
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	7,006	8,588	4,217	-18.4	150.5

[a] Includes revisions in some previous months.

E = exceeds 600 percent.

MUSKOGEE MA

Category	3 Mos. '87	3 Mos. '86	March '87	Percentage Change	
				3 Mos. '87/'86	March/Feb. '87
Employment (Number)[a]					
Labor Force	33,000	32,333	33,125	2.1	0.4
Total Employment	29,967	29,100	30,075	3.0	0.3
Unemployment Rate (%)	9.2	10.0	9.2	—	—
Industrial Power Sales (000 Kwh)	47,584	40,449	16,115	17.6	-6.4
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	1,487	1,611	520	-7.7	7.4
Number of Units	20	24	6	-16.7	-14.3
Residential—Multi Family					
Dollar Value ($000)	75	2,658	75	-97.2	—
Number of Units	2	49	2	-95.9	—
Nonresidential					
Commercial ($000)	5,771	417	5,275	E	E
Industrial ($000)	886	1,502	20	-41.0	-97.7
Institutional ($000)	0	559	0	--	0.0
Nonbuilding					
Streets and Highways ($000)	0	0	0	0.0	0.0
All Other Nonbuilding ($000)	0	25	0	—	0.0
Total Construction ($000)	8,220	6,773	5,890	21.4	247.2

[a] Includes revisions in some previous months.

TULSA MSA

Category	3 Mos. '87	3 Mos. '86	March '87	Percentage Change	
				3 Mos. '87/'86	March/Feb. '87
Employment (Number)[a]					
Labor Force	356,967	349,100	357,100	2.2	-0.1
Total Employment	324,400	321,100	324,400	1.0	0.2
Manufacturing	50,200	52,167	49,700	-3.8	-0.8
Mining	17,067	18,267	16,700	-6.6	-1.8
Government	37,267	37,100	37,200	0.4	-1.3
Wholesale and Retail Trade	72,867	72,133	72,600	1.0	0.3
Unemployment Rate (%)	9.1	8.0	9.2	—	—
Average Weekly Earnings					
Manufacturing ($ Per Worker)					
Industrial Power Sales (000 Kwh)	484,712	481,391	162,591	0.7	-2.7
Mortgage Loans Closed ($000,000)[b]	81.9	64.1	22.3	27.8	10.9
Bank Deposits ($000,000)[c]					
Demand Deposits	867,641	728,848	845,843	19.0	-1.8
Time and Savings Deposits	2,414,668	2,101,778	2,413,605	14.9	-0.3
Air Transportation					
Passengers Enplaning (Number)	311,254	305,296	125,331	2.0	34.4
Passengers Deplaning (Number)	317,300	309,112	128,847	2.6	38.5
Freight (Tons)	3,698	2,598	1,229	8.6	42.3
Water Transportation					
Tulsa Port of Catoosa					
Tons In	108,380	155,246	36,294	-30.2	7.2
Tons Out	341,231	425,901	130,406	-19.9	31.2
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	30,509	26,223	14,916	16.3	85.2
Number of Units	438	419	227	4.5	118.3
Residential—Multi Family					
Dollar Value ($000)	10,274	15,199	9,988	-32.4	E
Number of Units	455	422	444	7.8	E
Nonresidential					
Commercial ($000)	8,305	8,663	1,982	-4.1	81.8
Industrial ($000)	1,323	1,506	517	-12.1	-30.6
Institutional ($000)	3,464	3,847	1,132	-10.0	-47.6
Nonbuilding					
Streets and Highways ($000)	720	7,967	339	-91.0	-10.9
All Other Nonbuilding ($000)	653	1,595	293	-59.1	75.7
Total Construction	55,247	65,000	29,168	-15.0	129.0
General Business Index	87.6	90.1	89.2	-2.7	2.7

E = Exceeds 600 percent.

[a] Includes revisions.

[b] By savings and Loan Associations.

[c] Total deposits in large commercial banks.

OKLAHOMA CITY MSA

				Percentage Change	
Category	3 Mos. '87	3 Mos. '86	March '87	3 Mos. '87/'86	March/Feb. '87
Employment (Number)[a]					
Labor Force	500,033	511,800	501,300	-2.3	0.3
Total Employment	476,933	480,800	499,700	-0.8	7.4
Manufacturing	48,733	50,967	48,500	-4.4	-0.6
Mining	11,933	14,400	11,800	-14.8	0.0
Government	98,100	99,733	98,100	-1.6	0.0
Wholesale and Retail Trade	97,000	105,400	96,100	-7.7	-1.0
Unemployment Rate (%)	6.8	6.2	6.9	—	—
Average Weekly Earnings					
Manufacturing ($ Per Worker)	441.37	447.34	444.91	-1.3	0.1
Industrial Power Sales (000 Kwh)	287,725	305,861	98,413	-5.9	-1.0
New Mortgage Loans ($000,000)[b]	52.6	68.2	26.7	-32.9	100.8
Bank Deposits ($000,000)[c]					
Demand Deposits	945.0	1,037.2	927.9	-8.9	-7.3
Time and Savings Deposits	1,922.4	2,312.6	1,770.7	-16.9	-8.9
Air Transportation					
Passengers Enplaning (Number)	332,979	326,606	135,729	2.0	33.4
Passengers Deplaning (Number)	341,538	341,823	138,699	-0.1	36.1
Freight Enplaned (Tons)	1,593	1,490	568	6.9	7.6
Freight Deplaned (Tons)	2,582	2,412	922	7.0	7.4
PERMIT-AUTHORIZED CONSTRUCTION[a]					
Residential—Single Family					
Dollar Value ($000)	37,142	51,238	18,117	-27.5	65.6
Number of Units	629	877	312	-28.3	74.3
Residential—Multi Family					
Dollar Value ($000)	983	13,797	143	-92.9	-83.0
Number of Units	45	438	5	-89.7	-87.5
Nonresidential					
Commercial ($000)	36,839	29,952	9,627	23.0	-43.8
Industrial ($000)	1,494	1,696	815	-11.9	E
Institutional ($000)	1,872	3,272	940	-42.8	0.8
Nonbuilding					
Streets and Highways ($000)	6,977	18,273	4,415	-61.8	130.7
All Other Nonbuilding ($000)	728	1,590	361	-54.2	120.1
Total Construction ($000)	86,035	119,819	34,418	-28.2	7.8
General Business Index	86.7	87.8	88.4	-1.2	1.0

E = Exceeds 600 percent.

[a] Includes revisions in some previous months.

[b] By savings and loan associations.

[c] Total deposits in large commercial banks.

Sources for all tables: Local utilities companies; 10th Federal Reserve District Member Banks; Federal Home Loan Bank of Topeka; Oklahoma Employment Security Commission; United States Department of Commerce, Construction Statistics Division; Oklahoma Department of Transportation, *Progressive Report of the Transportation Director*; Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian Hickey, Research Assistant.

Business Highlights

Neil J. Dikeman, Jr.

Economic conditions during the first quarter of 1987 were about as expected with no significant changes occurring in business activity. In fact, the few modest increases were largely countered by decreases in other sectors thus leaving the level of business during the period only fractionally higher than that of the same period a year ago.

Possibly the most notable increase over year ago totals was that of 4.9 percent in personal income. This gain exceeded the rise in inflation over the period and as a result real personal income for the year to date was 1.9 percent higher than for the same period last year. Also, assets of savings and loan associations rose 1.2 percent during the quarter despite a sharp drop of 13.2 percent in mortgage loans closed. This suggests that more of the deposits in these institutions were being placed in investments such as securities and in other forms of assets.

On the negative side, crude oil production continued the decline begun two years ago so that the total for the quarter was off that of the same period last year by 21.5 percent. However, March output rose by 10.5 percent over February productions which reduced the deficit from 1986 levels considerably.

Manufacturing activity as measured by industrial power sales and employment also experienced a decline from 1986 as power sales during the quarter were 6.4 percent less than for the same period last year and average monthly employment was down by 8.2 thousand jobs which was nearly 5 percent less than the average for the first three months of 1986. The decrease in manufacturing employment was accompanied by a fractional increase in average weekly hours worked and a decline in average weekly wages of $3.56 per worker.

Construction activity shows no sign of reversing the downward pattern of the past three years at least at this time. Total construction activity for the first quarter of this year, as measured by the dollar value of building permits issued, was 26.3 percent below year ago levels despite a near 61 percent increase in March. The most significant losses experienced thus far this year included the drop of 63.9 percent in the value of multifamily dwellings, the 58.9 percent decreases in both street and highway and other non-building activities and the 40.2 percent decline in institutional building. Lesser decreases from year ago levels of 13.2 percent and 14 percent in the value of single family homes and industrial buildings respectively coupled with a 15 percent rise in commercial building tempered the extent of the sharp drops in other types of construction. The one bright note in the construction picture which may signal some turnaround in this industry later this year is the fact that during March all types of construction activity except for commercial building experienced greater than seasonal gains. This, in turn, helped raise the average weekly wages paid to construction workers by 4.3 percent during the mouth.

The employment picture during the first quarter also remains rather bleak despite marginal gains which occurred during March. The most noticeable lags during the first quarter of the year were those of mining employment where average monthly employment was off year ago levels by 11.4 percent, farm employment which was 25.4 percent below the same period in 1986 and manufacturing employment was nearly 5 percent less than last year. The one bright spot was average monthly service employment which rose by 0.4 percent (or 1,000 jobs) from the 1986 level. As a result of the rather large decreases, total employment for the quarter was more than 23 thousand jobs less than at this time last year but since the average total labor force declined by 10 thousand job seekers over the same period the impact of job losses was reduced thus holding the average unemployment rate for the quarter to 8.6 percent of the total labor force.

As was expected, retail sales during the first quarter of 1987 declined 4.9 percent from the total for the same period last year. This decrease was due primarily to a drop of 13.7 percent in sales of durable goods which more than offset the fractional gain in sales of nondurables. The drop in durable goods sales extended to all lines of merchandise with decreases of 22.3 percent in lumber and building materials, 14.2 percent in auto sales, and 11.8 percent in furniture sales contributing most to the decline. The 0.4 percent increase in sales of nondurable goods over the 1986 total would have been more significant except for the 12.7 percent loss in sales of service stations and the 6.3 percent drop in general merchandise sales. Even the 5.2 percent increase in March sales (before adjustment for seasonal factors) was somewhat disappointing since normally total March sales rise by nearly 8 percent over February which left adjusted March sales nearly 2 percent below the February total.[1]

In spite of all the decreases noted in the major economic indicators there were a number of others that either remained stable or evidenced modest improvement. These latter indicators include bank clearings, local prime interest rates and others. These gains coupled with the increases noted above helped raise the average monthly General Business Index for the State to 93.1 which was 0.2 percent above that of the same period last year.

The Oklahoma General Business Index during the period 1980 to present is depicted in the Figure below.

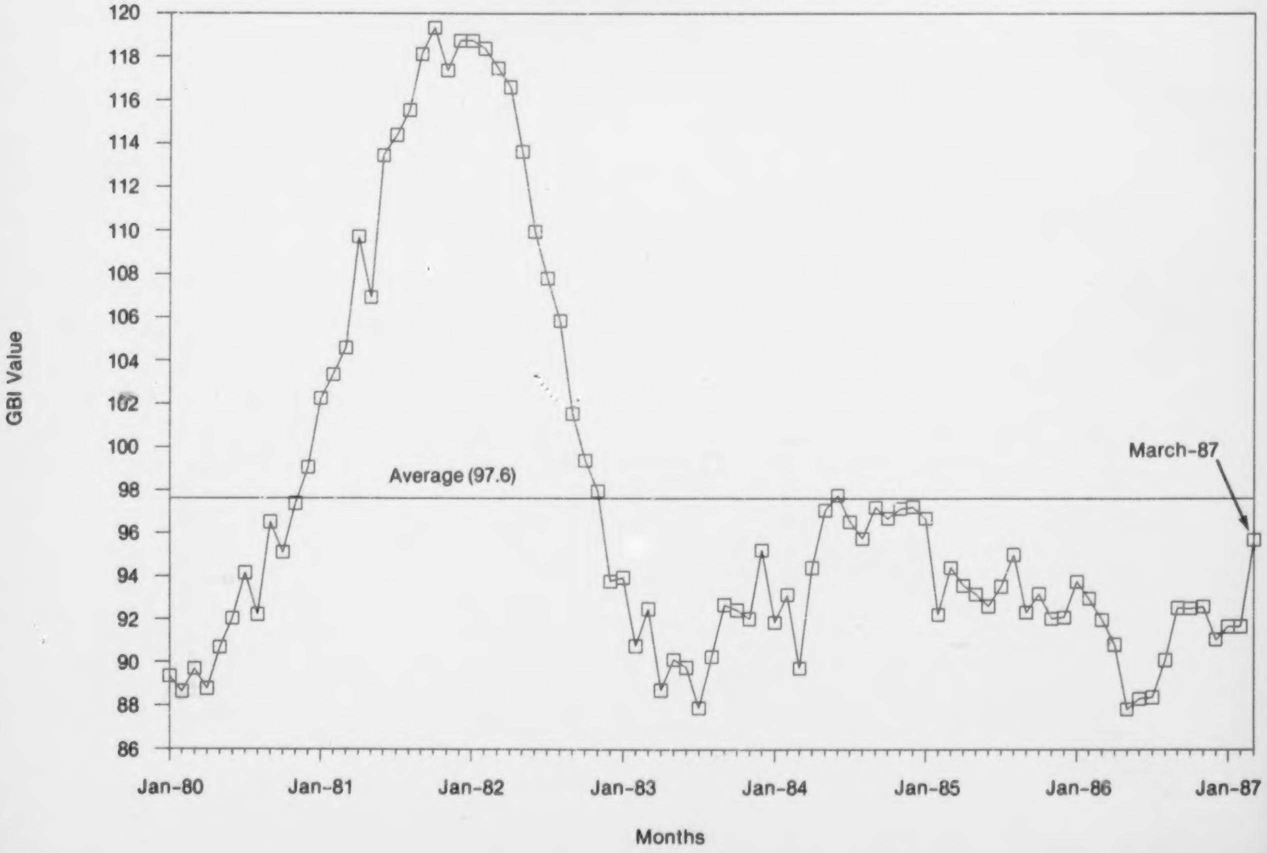
Note

[1] A number of revisions have been made to the retail sales data. These revisions were necessitated by changes made in the classification of a number of retail businesses by the Oklahoma Tax Commission to more accurately reflect the types of merchandise sold by these stores.

Neil J. Dikeman, Jr. is Associate Director for the Center for Economic and Management Research.

FIGURE 1

Oklahoma State General Business Index
January 1980 through March 1987



The Impact of Firm Performance and Structure on Dividend Policy

Peggy J. Crawford
Anne M. Turner

Introduction

The issuance of stock dividends has been a controversial business practice since the earliest days of corporate experience. The problem centers around the value of the stock dividend to the investor. Stock dividends do not appear to increase the wealth of the shareholder because each shareholder receives a percentage of stock based on his/her current holdings. Therefore, the investor still owns exactly the same proportion of the firm following the stock dividend distribution that he/she did before. In addition, the issuance of stock dividends may actually decrease the value of the company because of the costs associated with the transaction.[1]

A search of the academic literature finds little support for shareholders benefiting from stock dividend distribution. Empirical evidence suggests that the diluting effect of stock dividends causes a proportional decline in share prices. Researchers have found that the market values of stocks adjust almost immediately to stock splits and that neither the size of the issue nor the name given to it (stock split or stock dividend), makes any difference. Therefore, the stockholders do not benefit from the issue because of the market's efficient adjustment of price to asset value.[2] Eugene Fama states that expected returns cannot be increased by purchasing split securities after splits become effective. On the average the returns immediately resume their normal relationship to market return. Any gain is only by prediction or superior information, not by the split itself.[3]

However, stock dividends are a common business practice and arguments for issuance are found in corporate surveys questioning this practice.[4] One stated reason for cash dividends is the conservation of cash by not giving cash dividends. However, cash conservation is the result of not giving cash dividends, not the result of giving stock dividends. A second stated reason is the increased marketability by keeping the stock price in an attractive range and thereby gaining stockholders. But, a lower market price may not be as important today as it was in the past because of the dominance of institutional investors who buy in large increments. Higher market prices may be preferred because they lower transaction costs for the institutions. A study investigating the impact of stock splits on share marketability suggests that there is a permanent decrease in the relative marketability (liquidity) following the split.[5] A last reason mentioned is the perceived popularity of issuance with stockholders. Investor appreciation of stock dividends implies that the investor does not realize that his position in the company does not change. This is not consistent with the concept of the rational investor or efficient markets.[6]

If there is no empirical support for stock dividends and it is difficult to support the reasons given by corporate managers for this practice, the question is why do firms give stock dividends. This study will examine the hypothesis that firms who give stock dividends differ either financially or structurally from firms who give cash or no dividends.

Data

To determine whether or not firms with various dividend policies differ, financial data were collected for 60 firms during the five-year period 1978-1983. The firms were divided evenly into the following groups:

Group I	Firms that have a record of issuing stock dividends, and no other dividends, over the five-year period.
Group II	Firms that have consistently given cash dividends over the five-year period.
Group III	Firms that have given neither stock nor cash dividends over the five-year period.

Firms in each group were matched as closely as possible as to size, industry, and trading exchange to minimize the impact of these variables.

The variables selected to compare the firms include:

Variable		Description	Purpose
1. Current Ratio	=	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	This ratio describes the ability of the firm to meet its current obligations, i.e., a measure of liquidity. End of the year reporting figures were used.
2. Debt/Equity	=	$\frac{\text{Total Debt (LT)}}{\text{Total Equity}}$	This ratio describes the amount of the firm's debt financing to the amount of owner financing. This is used as a measure of comparative risk. End of year reporting figures were used.
3. Price/Earnings	=	$\frac{\text{Price/Share}}{\text{Earnings/Share}}$	This multiple indicates the value placed by investors on a dollar of a firm's earnings. This will be used to assess the investors' (market's) perception of the firm's value. The weighted averages of the high and low P/E ratios for the year were used.
4. Price Change	=	$\frac{\text{High Price - Low Price}}{\text{High Price}}$	Since stockholders are averse to uncertainty this is another measure of risk.

Additionally, the compound growth rate over the five-year period for the following four variables was calculated: (1) total assets; (2) earnings; (3) return on equity; and (4) return on assets. These variables were selected to test whether or not stock dividend and/or no dividend firms were "growth" firms. That is, did their growth rates greatly exceed those of the cash dividend firms?

To perform the analysis, one-way analysis of variance (ANOVA) between the means of the financial performance variables was performed. ANOVA is a statistical technique which determines whether observed difference among more than two sample means can be attributed to chance, or whether they are indicative of actual differences among the means of the corresponding populations. To test for significant differences between groups for each variable, the F test at the 5 percent confidence level was used. That is, we can report our results with a 95 percent confidence.

Results

The results of the analysis are listed in Table 1. An examination of the results indicates the following.

The current ratio of the stock dividend firms and the no dividend firms, (Groups I and III), have steadily increased over the years 1979-1983. The ratios of the cash dividend companies, (Group II), have been consistent (Graph 1). In four of five years the standard deviation of the means have shown few differences between firm groups. The stable and somewhat higher current ratios of the cash dividend companies may be necessary because of the cash-on-hand needed for dividends, and/or could suggest that these firms are not utilizing their assets to the maximum. There is virtually no difference in 1983 between groups. In other years the ratios of the no dividend group are slightly lower than those of the other groups. This suggests that during this time period the firms differ little in liquidity, as measured by current ratio, across groups.

Although statistically significant differences were not demonstrated in most years, visually there appears to be a trend toward consistently lower D/E ratios for the cash dividend firms (Graph 2). This suggests that firms issuing the cash dividends may enjoy lower long-term risk and lower returns consistent with lower leveraging. Note the D/E ratios in years 1982 and 1981 for the stock dividend and no dividend companies. This is possibly related to the economic conditions of those years. Statistically significant differences were demonstrated in 1980 between cash dividend companies and no dividend companies and in 1979 between cash dividend firms and both no dividend and stock dividend firms. This suggests that in terms of statistical significance, the firms' long-term risks associated with debt are similar in three of five years, but the obvious trend toward lower debt as proportion of equity for cash dividend firms is noteworthy and suggests a need for further investigation.

Statistically significant differences in the means of the percentage price change were demonstrated between the cash dividend companies and both stock dividend and no dividend firms in 1980. The cash dividend firms appear to exhibit significantly less price change volatility than firms in the other two groups (Graph 3). Assuming that stockholders regard price uncertainty as risky, investors should require a higher return from no dividend and stock dividend companies than from cash dividend firms, all other factors, (such as growth, earnings, other riskiness, etc.), being equal.

The firms that issue stock dividends were found to have P/E ratios higher than both cash dividend and no dividend firms (Graph 4). Statistically significant differences were demonstrated between stock dividend and cash dividend firms. Note that the P/E ratios were con-

TABLE 1

Summary Statistics for Various Dividend Policies—Stock Dividend, Cash Dividend, No Dividend

		Mean			Standard Deviation		
Ratio	Year	Stock	Cash	None	Stock	Cash	None
P/E Ratio	1983	23.10	15.65	19.60	10.96	6.53	7.62
Price Change	1983	0.4810	0.4070	0.4835	0.1188	0.1037	0.1240
	1982	0.5750	0.4335	0.5655	0.1414	0.1314	0.1462
	1981	0.4870	0.3600	0.4880	0.1401	0.1616	0.1152
	1980	0.5137	0.4611	0.5489	0.2130	0.1342	0.0985
	1979	0.4871	0.3821	0.5065	0.1322	0.1272	0.1277
Current Ratio	1983	2.89	2.86	2.87	1.29	1.80	1.56
	1982	2.86	2.86	2.56	1.46	1.79	1.19
	1981	2.80	2.95	2.16	1.21	1.96	1.03
	1980	2.50	2.76	2.13	1.00	1.71	1.13
	1979	2.22	2.70	1.92	0.93	1.40	1.08
Debt/Equity	1983	0.8977	0.6544	0.9898	1.1838	0.9448	1.1538
	1982	0.8567	0.6054	0.7396	1.0910	0.8273	0.9218
	1981	0.7328	0.5828	0.7966	0.7192	0.7583	0.8320
	1980	0.9505	0.5480	1.0743	0.8750	0.5828	0.9613
	1979	0.9927	0.5172	1.0739	1.0874	0.6253	0.6500
Total Assets (growth)	—	.444	.1498	.2900	.4455	.1180	.4603
Earnings (growth)	—	.2881	-.2875	.3336	.6091	.1518	.8932
Return of Equity (growth)	—	.1468	-.1259	.4486	.6885	.1559	.8607
Return on Assets (growth)	—	.1419	-.1291	.3762	.5069	.1913	.7753

siderably more volatile for the stock dividend firms than for the ratios of the other firm groups as indicated by the standard deviations of the means. This suggests that the stockholders value the future returns of firms that issue stock dividends significantly higher than the future returns of cash dividend firms and somewhat higher than the future returns of no dividend firms. This cannot be explained by the other variables selected for this study. The results suggest that there is something else about firms issuing stock dividends that explains the higher valuation placed on them by the market, and makes these stocks perceived as more attractive investments.

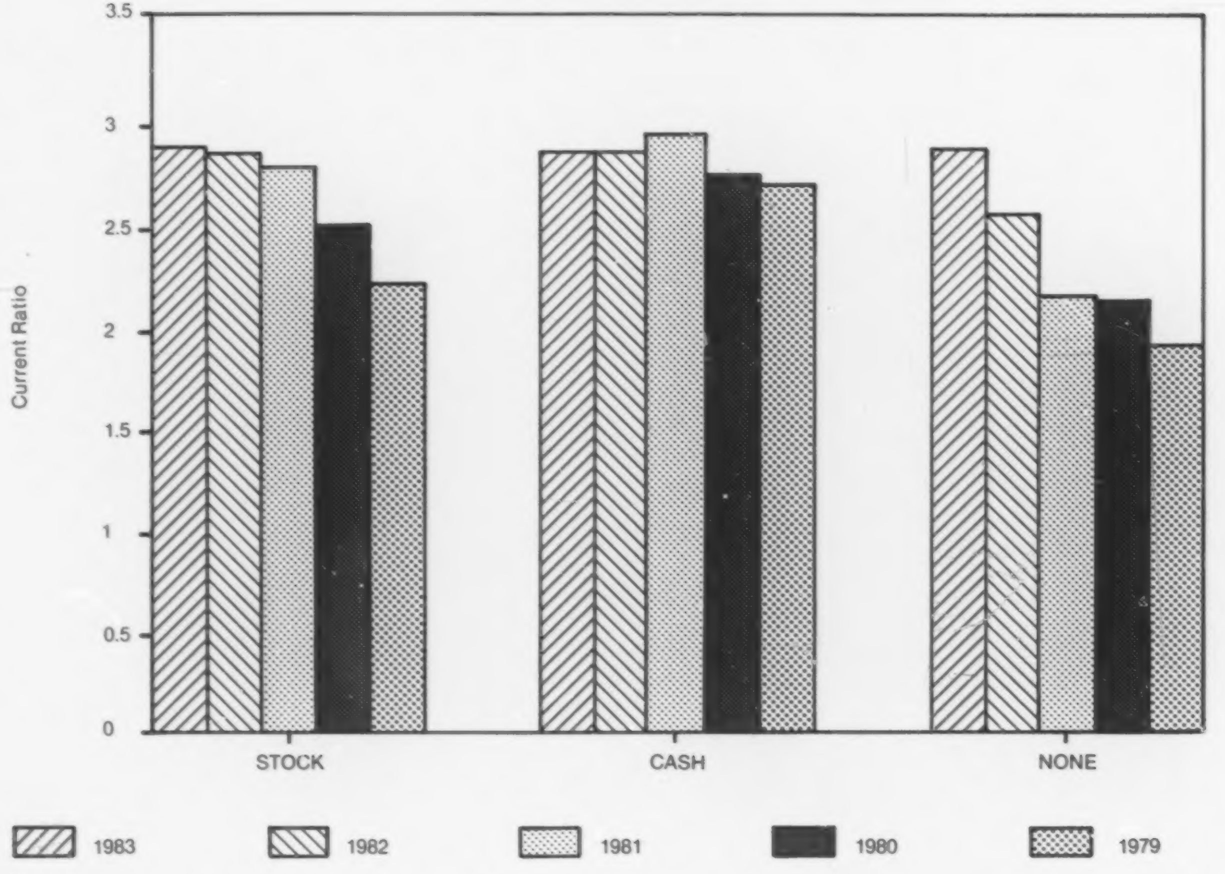
The average compound growth rate of total assets over the five-year period was highest for the stock firms while the growth rate in earnings was highest for the no dividend firms. In both cases, the growth rates for the stock and no dividend firms were statistically significantly different from those of the cash firms, but not different from each other. The average compound growth rate of return on equity and return on assets was highest for the no dividend firms; the returns were significantly different for the cash and no dividend firms. These results were interesting because, as one might expect, the high growth firms were not paying out cash dividends but rather retaining the funds to support the growth. However, the results imply that the more profitable firms (as measured by return on equity and assets) were the no dividend firms, not the stock dividend firms. This result lends some support to the idea that stock dividends may be costly to the firm.

Conclusion

This study compares financial and structural variables for firms with various dividend policies. The authors found little difference in the liquidity of the firms in the sample, that cash dividend firms tended to have lower amounts of debt in their capital structure, that the prices of cash dividend funds tended to be less volatile than the prices of the other two groups, and that stock and no dividend firms had the highest growth rates, but no dividend firms were the most profitable. The most intriguing, and as yet unexplained, result was that the price-earnings ratio for firms which gave stock dividends was higher than the price-earnings ratio for the other two groups. This suggests that there are other as yet unidentified factors which are prevalent in the stock dividend firms and make them more desirable to investors.

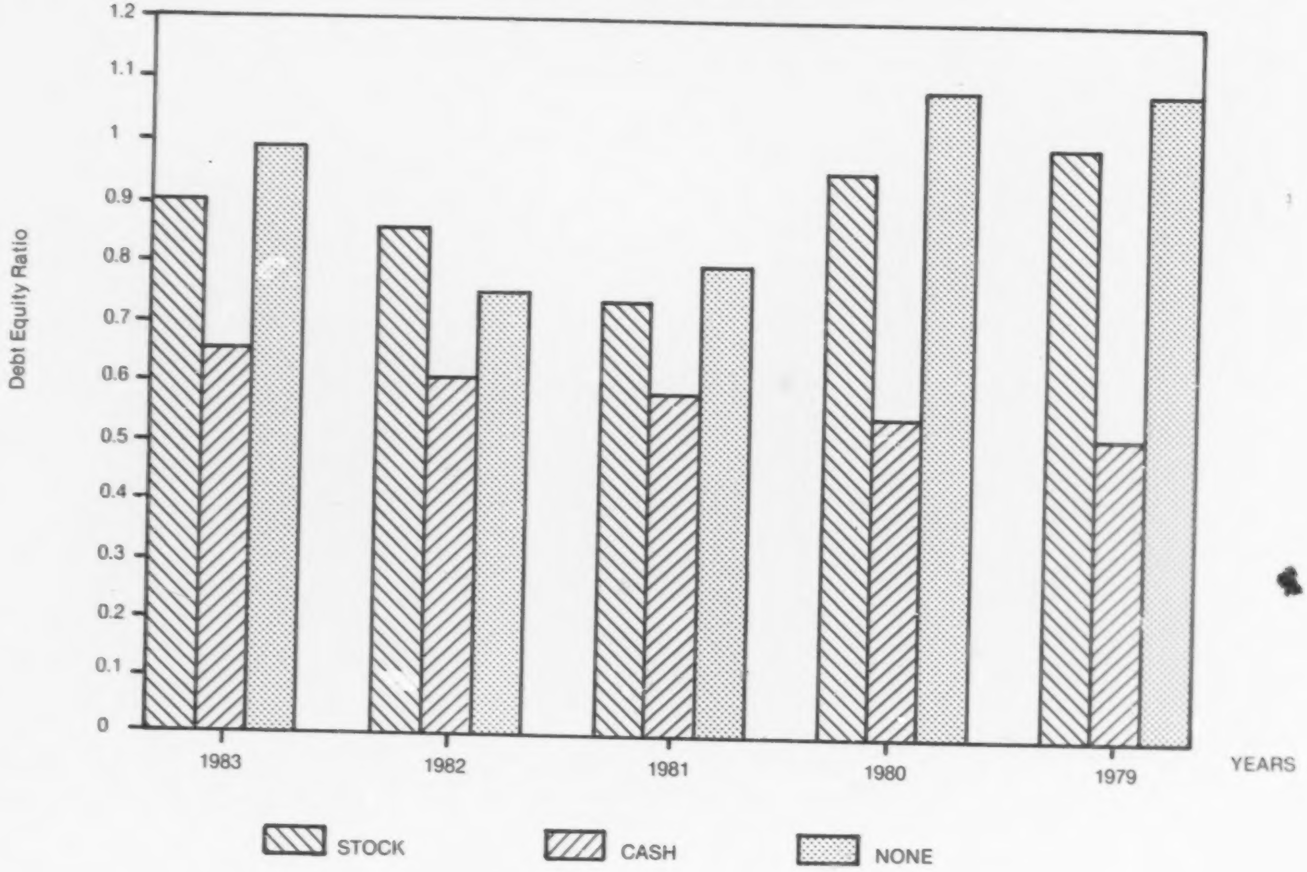
GRAPH 1

Average Current Ratio for Various Dividend Policies—
Stock Dividend, Cash Dividend, No Dividend



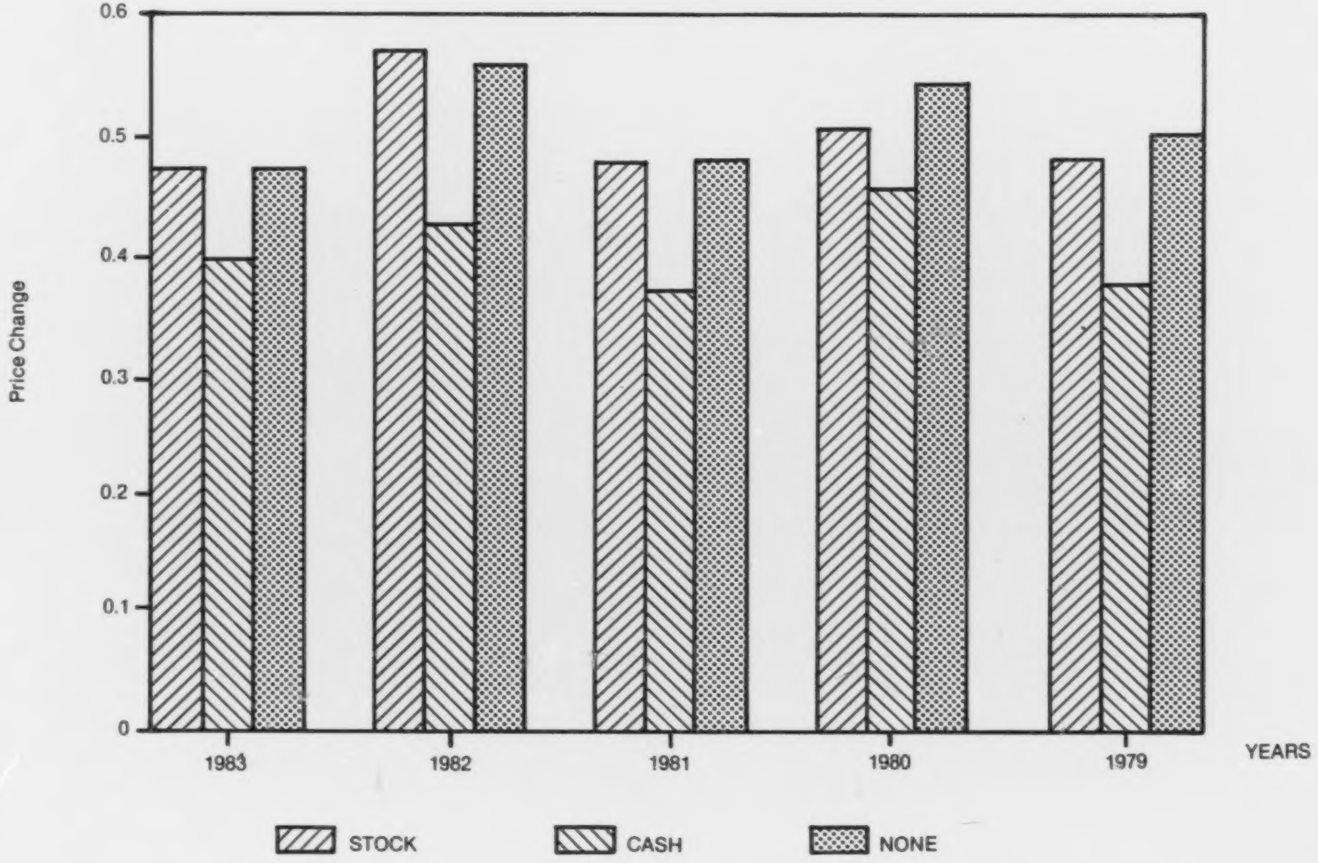
GRAPH 2

**Average Debt/Equity Ratio for Various Dividend Policies—
Stock Dividend, Cash Dividend, No Dividend**



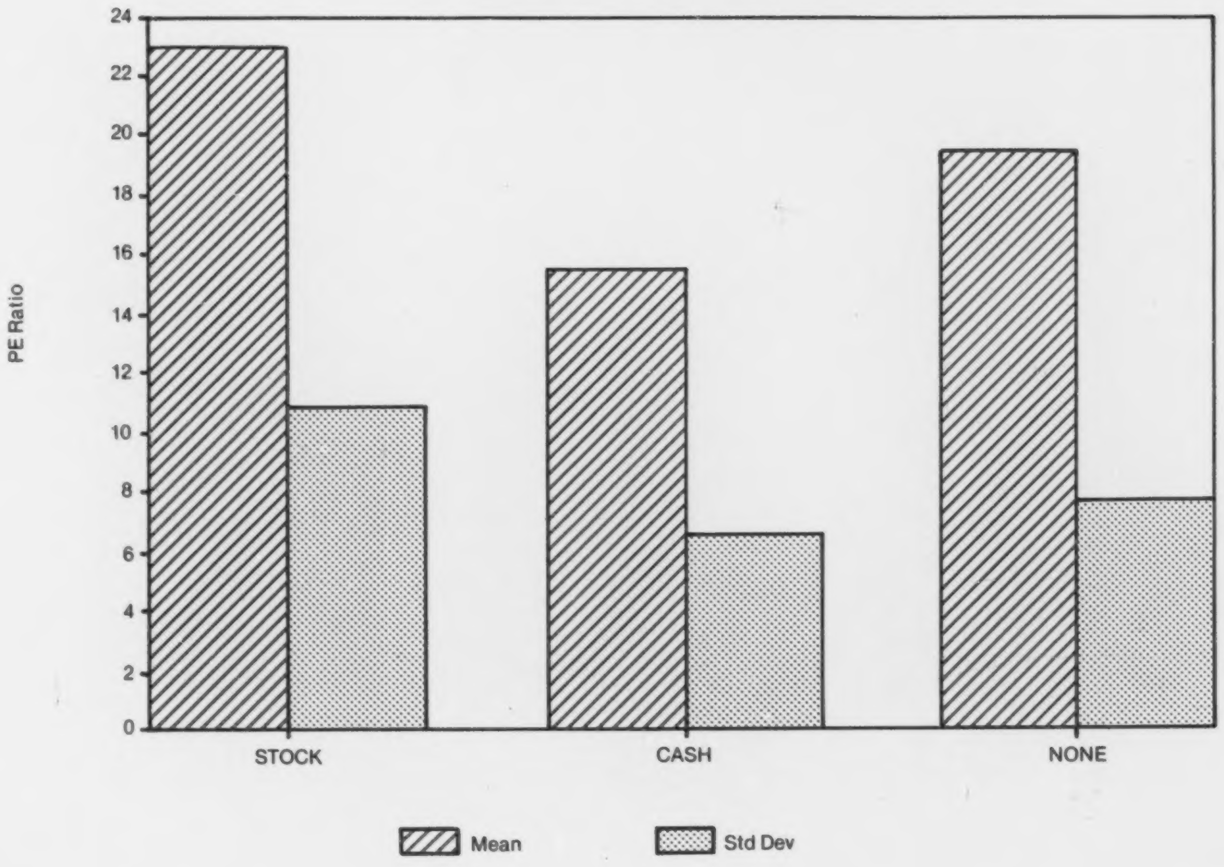
GRAPH 3

Average Price Change for Various Dividend Policies— Stock Dividend, Cash Dividend, No Dividend



GRAPH 4

Average Price/Earnings Ratio for Various Dividend Policies— Stock Dividends, Cash Dividends, No Dividends



Notes

[1] L.S. Hayes, "The Myth of the Stock Split," *Fortune* (February 1979), pp. 101-102.

[2] S. Chottiner and A. Young, "A Test of the AICPA Differential Between Stock Dividends and Stock Splits," *Journal of Accounting Research* (Autumn 1971), pp. 367-374; T.W. Foster III and D. Vickery, "The Information Content of Stock Dividend Announcements," *Accounting Review* (April 1978), pp. 360-370; S. Livermore, "Value of Stock Dividends," *American Economic Review* (December 1930), pp. 687-691; J.A. Miller, "Split or Dividend: Do the Words Really Matter?" *Accounting Review* (January 1977), pp. 52-55.

[3] Eugene Fama, L. Fisher, M. Jensen, and R. Roll, "The Adjustment of Stock Prices to New Information," *International Economic Review* (February 1969), p. 306.

[4] M.R. Sussman, *The Stock Dividend* (Ann Arbor: The University of Michigan, Bureau of Business Research, 1962), p. 34; P.C. Eiseman and E.A. Moses, "Stock Dividends: Management's View," *Financial Analysts Journal* (July-August 1978), pp. 77-80.

[5] T.E. Copeland, "Liquidity Changes Following Stock Splits," *Journal of Finance* (March 1979), pp. 115-141.

[6] W. Nichols and S. Brown, "Assimilating Earnings and Split Information," *Journal of Financial Economics*, Vol. 9 (September 1981), pp. 310-315.

References

Chottiner, S. and Young, A. "A Test of the AICPA Differential Between Stock Dividends and Stock Splits," *Journal of Accounting Research* (Autumn 1971).

Copeland, T.E. "Liquidity Changes Following Stock Splits," *Journal of Finance* (March 1979).

Eiseman, P.C. and Moses, E.A. "Stock Dividends: Management's View," *Financial Analysts Journal* (July-August 1978).

Fama, Eugene; Fisher, L.; Jensen, M.: and Roll, R. "The Adjustment of Stock Prices to New Information," *International Economic Review* (February 1969).

Foster, T.W., III and Vickery, D. "The Information Content of Stock Dividend Announcements," *Accounting Review* (April 1978).

Hayes, L.S. "The Myth of the Stock Split," *Fortune* (February 1979): 101-102.

Livermore, S. "Value of Stock Dividends," *American Economic Review* (December 1930).

Miller, J.A. "Split or Dividend: Do the Words Really Matter?" *Accounting Review* (January 1977).

Nichols, W. and Brown, S. "Assimilating Earnings and Split Information," *Journal of Financial Economics*, Vol. 9 (September 1981).

Sussman, M.R. *The Stock Dividend* (Ann Arbor: The University of Michigan, Bureau of Business Research, 1962).

Peggy J. Crawford is Associate Professor of Finance and Anne M. Turner is a M.B.A. student, both of George Mason University.

How the Tax Reform Act of 1986 Will Stimulate Capital Investment: A Commercial Real Estate Example

Fred Hendon
Chad Denson
Gene Grant

Introduction

The purpose of this article is to assess the impact of the 1986 Tax Reform Act on the profitability of corporate investment in commercial real estate ventures.

In recent months there has been an extensive discussion in business publications about the effect of tax reform on the economy. In general, the consensus of opinion seems to be that the average consumer will be marginally better off, but that corporate investment will be negatively impacted by recent changes in the tax code. Specifically, it is alleged that long-term business capital formation will be adversely affected. The principal reason cited is that the detrimental effects of the elimination of the investment tax credit and lengthening of depreciable asset lives will more than outweigh the reduction in corporate tax rates. Many observers have concluded that the more capital intensive the business operations are, the more severely tax reform will retard corporate investment in new capital. Many writers have gone further and voiced the opinion that commercial real estate projects will be the most negatively impacted.

Throughout these discussions there seems to be a lot of attention devoted to opinion and almost none to analysis. Therefore, this article will compare the profitability of a hypothetical real estate investment project (such as office buildings, hotels, etc.) under the old corporate tax law and again under the new provisions using the well known capital budgeting technique of Net Present Value (NPV). This technique calculates the "net present value" after taxes to a firm for any investment prospect being considered. A positive (negative) figure would indicate an increase (loss) in value of the firm as a result of asset acquisition. If it can be shown for a given set of hypothetical cash flow data that NPV is higher under the new corporate tax provisions than under the previous tax law, then tax reform may stimulate corporate commercial real estate investment rather than reduce it.

Analysis Under Prior Tax Law

The assumed cash flow data for a hypothetical commercial development is as follows (dollar figures are in 000,000's):

Cost of Project	$100	
Asset Life (real)	35	years
Annual Incremental Earnings Before Depreciation and Taxes	$ 50	
Discount Rate	10	percent
Investment Tax Credit (10%)	$ 10	
Net Cost	$ 90	
Depreciable Base	$ 95	

Note that under the old law the investment tax credit was 10 percent, and real estate could be depreciated off over 19 years under the ACRS system. The corporate tax rate was 46 percent. Table 1 presents the calculations of net present value of the assumed project under the old tax law.

Table 1 shows that the present value of the cash flows over the 35-year life is $282.6 million. Subtracting the $90 million net cost from this figure leaves a NPV of $192.6 million.

Analysis Under New Tax Law

Under the new tax law, the depreciable asset life of non-residential property increases from 19 to 31.5 years. Moreover, write-offs for real estate are no longer accelerated (as under prior law) but are limited to straight line depreciation. The new law also eliminates the investment tax credit and lowers the corporate tax rate to 34 percent.

Using the same cash flow and cost figures as above, Table 2 presents the calculations of NPV under the new tax law (in 000,000's).

Table 2 indicates the present value of the incremental cash flow is $328.7 million. From this is subtracted $100

TABLE 1

Net Present Value Commercial Real Estate Project: Old Tax Law

Year (1)	Earnings Before Depreciation and Taxes (2)	Depreciation (3)	Earnings Before Taxes (4)	Taxes (46%) (5)	Earnings After Taxes (6)	Cash Inflows (7)	Present Value Factor (10%) (8)	Present Value (9)
1	$50.0	$8.4	$41.6	$19.1	$22.5	$30.9	0.909	$28.1
2	50.0	8.0	42.0	19.3	22.7	30.7	0.826	25.4
3	50.0	7.2	42.8	19.7	23.1	30.3	0.751	22.8
4	50.0	6.6	43.4	20.0	23.4	30.0	0.683	20.5
5	50.0	6.0	44.0	20.2	23.8	29.8	0.621	18.5
6	50.0	5.4	44.6	20.5	24.1	29.5	0.564	16.6
7	50.0	4.9	45.1	20.7	24.4	29.3	0.513	15.0
8	50.0	4.5	45.5	20.9	24.6	29.1	0.467	13.6
9	50.0	4.0	46.0	21.2	24.8	28.8	0.424	12.2
10	50.0	4.0	46.0	21.2	24.8	28.8	0.386	11.1
11	50.0	4.0	46.0	21.2	24.8	28.8	0.350	10.1
12	50.0	4.0	46.0	21.2	24.8	28.8	0.319	9.2
13	50.0	4.0	46.0	21.2	24.8	28.8	0.290	8.4
14	50.0	4.0	46.0	21.2	24.8	28.8	0.263	7.6
15	50.0	4.0	46.0	21.2	24.8	28.8	0.239	6.9
16	50.0	4.0	46.0	21.2	24.8	28.8	0.218	6.3
17	50.0	4.0	46.0	21.2	24.8	28.8	0.198	5.7
18	50.0	4.0	46.0	21.2	24.8	28.8	0.180	5.2
19	50.0	4.0	46.0	21.2	24.8	28.8	0.164	4.7
20	50.0	0.2	49.8	22.9	26.9	27.1	0.149	4.0
21	50.0	0.0	50.0	23.0	27.0	27.0	0.135	3.6
22	50.0	0.0	50.0	23.0	27.0	27.0	0.123	3.3
23	50.0	0.0	50.0	23.0	27.0	27.0	0.112	3.0
24	50.0	0.0	50.0	23.0	27.0	27.0	0.102	2.8
25	50.0	0.0	50.0	23.0	27.0	27.0	0.092	2.5
26	50.0	0.0	50.0	23.0	27.0	27.0	0.084	2.3
27	50.0	0.0	50.0	23.0	27.0	27.0	0.076	2.1
28	50.0	0.0	50.0	23.0	27.0	27.0	0.069	1.9
29	50.0	0.0	50.0	23.0	27.0	27.0	0.063	1.7
30	50.0	0.0	50.0	23.0	27.0	27.0	0.057	1.5
31	50.0	0.0	50.0	23.0	27.0	27.0	0.052	1.4
32	50.0	0.0	50.0	23.0	27.0	27.0	0.047	1.3
33	50.0	0.0	50.0	23.0	27.0	27.0	0.043	1.2
34	50.0	0.0	50.0	23.0	27.0	27.0	0.039	1.1
35	50.0	0.0	50.0	23.0	27.0	27.0	0.036	1.0
Total present value	$282.6							
Less net cost	90.0							
Net present value	192.6							

TABLE 2

	Years 1-32	33	34	35

[redacted]

million original cost giving a NPV of $228.7 million. Compared with results under the old tax law, tax reform yields an increase of $36.1 million in NPV or an increase of approximately 19 percent.

Conclusion

As the above calculations show, changes in the business tax provisions contained in the Tax Reform Act of 1986 have a significant positive impact on the NPV of cash flows compared with prior tax law for non-residential real estate. The results seem to contradict the opinions of the majority of recent writers on the subject. Although this analysis assumed hypothetical data, it made a comparative evaluation of the three most important changes in business taxes embodied in tax reform—elimination of ITC, lengthening of depreciable asset lives, and reduction in corporate tax rates.[1] The results suggest that recent pessimism with regard to tax affects on the profitability of new commercial real estate projects may be premature. In the opinion of the authors, it would be advisable for all corporate real estate developers to systematically re-evaluate projects in light of changes in the tax code. Based on the results of the comparative NPV analysis of this study, the Tax Reform Act of 1986 may provide a significant stimulus for corporate commercial real estate investment in the future.

Note

[1] Elimination of the capital gains tax preference will have a detrimental effect on the after-tax returns of stockholders, possibly causing a decrease in the value of investing in corporations. However, the effect of such a change is not explicitly relevant to NPV computations, and is, therefore, not considered in this analysis.

Fred Hendon is Professor of Economics, Chad Denson is Assistant Professor of Finance, and Gene Grant is Assistant Professor of Accounting, all of Samford University, Birmingham, Alabama.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

7/21/87 U8130-1 A

OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

ISSN 0030-1671

July 1987
VOL. 55, ISSUE 7

SUMMARY OF INDICATORS

Category	4 Mos. '87	4 Mos. '86	Apr. '87	Percentage Change 4 Mos. '87/86	Percentage Change Apr./March '87
Personal Income (Monthly Average)					
Unadjusted ($000,000)	3,470.7	3,418.5	3,498.1	1.5	0.3
Adjusted for CPI ($000,000)	1,035.1	1,046.0	1,035.9	-1.0	-0.2
Crude Oil Production (000 bbl)[a]	31,266	39,453	11,238	-20.8	13.4
Industrial Power Sales (000,000 Kwh)[b]	2,585	2,704	657	-4.4	2.6
Total Bank Deposits (Monthly Average) ($000,000)[c]					
Demand	7,464	7,646	7,253	-2.4	-3.2
Savings	25,692	27,502	24,569	-6.6	4.0
Employment[d]					
Total Labor Force (000)	1,562.9	1,578.7	1,562.0	-1.0	-2.7
Total Employment (000)	1,431.9	1,455.8	1,440.5	-1.6	0.5
Unemployment Rate (%)	8.4	7.8	7.8	—	—
General Business Index	93.5	92.4	94.7	1.2	-1.1

Note: Includes revisions.

[a] 3 months and March Data.

[b] Sales of larger privately owned utility companies.

[c] Total deposits of all depository institutions.

[d] Civilian Labor Force.

RETAIL TRADE IN SELECTED CITIES
($000)

City	Apr. '87 Adjusted	Apr. '87 Unadjusted	Adjusted '87/'86 4 Mos.	Adjusted 1987 Apr./Mar.
Ada	12,482	12,982	-9.3	-5.0
Altus	11,111	11,681	-10.6	-1.8
Alva	2,389	2,367	-27.0	-4.7
Anadarko	4,353	4,648	-20.6	-1.7
Ardmore	17,268	18,378	-6.7	2.9
Bartlesville	18,096	18,514	-8.6	1.0
Blackwell	2,745	2,869	-18.5	-1.9
Broken Arrow	15,703	17,384	-10.9	-6.4
Chickasha	8,208	8,730	-13.7	-1.1
Clinton	5,237	5,605	-11.3	-9.2
Cushing	5,039	5,290	-19.8	3.0
Del City	9,387	10,076	10.1	2.2
Duncan	11,747	12,632	-12.8	-6.6
Durant	11,786	12,839	2.7	26.0
Edmond	16,957	18,080	-14.4	-22.0
Elk City	6,413	6,757	-18.0	-5.2
El Reno	6,646	6,850	-16.8	-2.4
Guthrie	4,473	4,753	-18.6	-4.2
Guymon	3,969	3,929	-15.1	-7.1
Henryetta	4,318	4,546	-15.5	1.6
Hobart	2,041	2,112	-15.9	-1.6
Holdenville	2,381	2,474	-16.9	-1.7
Hugo	2,716	2,844	-16.7	16.8
Idabel	3,428	3,477	-12.8	-4.9
Lawton	43,088	46,542	-1.4	-7.1

City	Apr. '87 Adjusted	Apr. '87 Unadjusted	Adjusted '87/'86 4 Mos.	Adjusted 1987 Apr./Mar.
McAlester	9,191	9,418	-14.4	12.0
Miami	10,258	10,583	-14.2	-0.9
Midwest City	31,273	32,330	-12.9	0.3
Moore	11,947	12,729	1.1	-2.8
Muskogee	24,544	26,459	-6.4	-7.7
Norman	51,125	53,922	-13.8	-5.2
Oklahoma City	245,083	259,801	-8.6	-1.7
Okmulgee	4,854	4,980	-15.9	6.8
Pauls Valley	3,600	3,804	-14.9	3.4
Pawhuska	1,787	1,808	-13.9	13.8
Ponca City	13,780	14,286	-10.6	0.7
Poteau	3,854	3,964	-15.4	-3.7
Sand Springs	7,658	8,311	-5.3	-1.8
Sapulpa	11,603	11,967	-16.4	2.1
Seminole	5,443	5,464	-19.2	-4.0
Shawnee	21,090	22,559	-5.4	-4.3
Stillwater	21,330	22,480	2.7	-2.2
Tahlequah	6,875	7,342	-6.1	-5.0
Tulsa	216,384	224,972	-8.7	-2.6
Watonga	1,569	1,660	-12.6	-2.4
Weatherford	4,994	4,971	-20.1	2.3
Wewoka	1,079	1,098	-10.8	-1.0
Woodward	9,700	10,133	-15.7	-1.2
Total	951,012	1,001,400	-9.4	-2.5

RETAIL TRADE IN METRO AREAS AND STATE
($000)

					Percentage Change		
	4 Mos. '87	4 Mos. '86	Apr. '87		4 Mos. '87/'86	Apr./March '87	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	725,977	730,873	176,095	188,106	-0.7	-1.6	2.1
Apparel	61,530	66,915	15,157	15,173	-8.0	-1.9	-0.8
General Merchandise	235,261	262,829	59,364	54,739	-10.5	3.2	2.2
Furniture	99,587	86,222	25,745	25,788	15.5	14.8	22.0
Lumber	55,993	74,022	14,271	16,532	-24.4	1.1	17.4
Auto Dealers	501,969	619,898	101,714	118,124	-19.0	-19.1	0.8
Service Stations	71,487	77,648	19,155	17,933	-7.9	12.1	20.5
All Other	234,543	229,125	53,138	57,952	2.4	-0.4	6.6
Total	1,986,347	2,147,532	464,639	494,347	-7.5	-4.1	4.1
TULSA MSA							
Food	440,566	450,804	112,027	113,257	-2.3	3.5	4.0
Apparel	56,292	59,477	14,039	13,442	-5.4	-2.7	-4.1
General Merchandise	187,983	201,913	48,066	47,783	-6.9	1.7	4.8
Furniture	76,279	78,280	19,242	20,060	-2.6	8.6	17.0
Lumber	47,743	60,685	11,467	12,694	-21.3	-4.4	8.0
Auto Dealers	292,073	360,688	59,177	68,730	-19.0	-19.1	0.8
Service Stations	58,726	63,797	15,736	14,732	-7.9	12.1	20.5
All Other	23,078	25,090	3,694	5,542	-8.0	-19.7	36.2
Total	1,182,740	1,300,734	283,448	296,240	-9.1	-2.8	5.1
ENID MSA							
Food	36,475	38,897	9,450	9,485	-6.2	16.1	15.4
Apparel	6,064	6,351	1,632	1,738	-4.5	16.2	21.5
General Merchandise	15,603	17,092	3,909	3,890	-8.7	1.7	5.8
Furniture	4,165	3,988	853	893	4.4	-11.1	-7.1
Lumber	5,109	6,325	1,189	1,365	-19.2	-4.9	12.3
Auto Dealers	28,728	35,473	5,821	6,760	-19.0	-19.1	0.8
Service Stations	5,271	5,727	1,412	1,322	-8.0	12.1	20.5
All Other	10,368	16,082	2,007	2,505	-35.5	-23.9	9.4
Total	111,783	129,935	26,273	27,958	-14.0	-1.6	9.2
LAWTON MSA							
Food	63,750	59,262	14,777	15,269	7.6	-2.3	-2.3
Apparel	7,546	6,831	1,882	1,994	10.5	3.7	10.2
General Merchandise	46,856	39,902	11,356	11,308	17.4	-3.6	7.2
Furniture	8,909	10,148	2,504	2,394	-12.2	18.0	7.7
Lumber	6,378	8,296	1,703	1,934	-23.1	-0.4	16.1
Auto Dealers	38,289	47,284	7,758	9,010	-19.0	-19.1	0.8
Service Stations	3,591	3,898	964	902	-7.9	13.1	20.6
All Other	13,646	14,404	2,791	3,543	-5.3	-20.6	-7.8
Total	188,965	190,025	43,735	46,354	-0.6	-6.0	2.1
MUSKOGEE AREA							
Food	46,334	47,342	10,982	10,996	-2.1	-5.1	-1.5
Apparel	6,606	6,323	1,505	1,522	4.5	-8.6	-11.3
General Merchandise	12,365	14,316	3,034	3,461	-13.6	-8.4	5.5
Furniture	4,305	4,748	1,140	1,288	-9.3	16.7	50.8
Lumber	1,907	2,385	476	472	-20.0	-0.4	7.0
Auto Dealers	24,161	29,837	4,891	5,683	-19.0	-19.2	0.8
Service Stations	4,623	5,028	1,236	1,157	-8.1	10.8	20.5
All Other	11,216	9,925	2,271	2,941	13.0	-13.5	12.3
Total	111,517	119,904	25,535	27,520	-7.0	-8.1	3.2
STATE[a]							
Durable Goods	1,843,225	2,227,431	397,114	442,732	-17.2	-14.5	2.7
Auto Dealers	1,254,407	1,549,085	254,183	295,190	-19.0	-19.1	0.8
Accessory Dealers	110,932	117,991	27,432	28,813	-6.0	-8.0	3.2
Total Automotive	1,365,339	1,667,076	281,615	324,003	-18.1	-18.1	1.0
Furniture	88,054	100,591	19,959	19,364	-12.5	-13.4	-11.8
Household Appliances	76,256	83,456	16,131	15,943	-8.6	-14.3	-8.1
Total Furniture and Appliances	164,310	184,047	36,090	35,307	-10.7	-13.8	-10.2
Lumber and Building Materials	189,634	231,450	50,008	56,423	-18.1	9.3	25.3
Hardware Stores	21,346	22,601	5,379	6,097	-5.6	-1.6	15.3
Total Lumber, Building Materials & Hardware	210,980	254,051	55,387	62,520	-17.0	8.1	24.2
Nondurable Goods	3,714,389	3,725,942	921,555	914,821	-0.3	0.9	5.2
Apparel	209,047	212,645	51,506	52,281	-1.7	-1.7	0.8
Drug Stores	185,287	164,165	46,724	47,722	12.9	7.6	11.8
Eating and Drinking Places	639,112	622,405	161,803	169,823	2.7	6.2	8.5
Food Group	1,529,420	1,523,640	368,594	369,424	0.4	-0.0	0.2
Service Stations	234,768	255,005	62,903	58,895	-7.9	12.1	20.5
General Merchandise Group	636,807	676,000	160,635	149,468	-5.8	-2.2	5.7
Total Retail Trade	5,557,614	5,953,373	1,318,669	1,357,553	-6.6	-4.3	4.4

[a] Total includes data for categories not shown in the table

ENID AND LAWTON MSAs
MUSKOGEE MA

Category	4 Mos. '87	4 Mos. '86	Apr. '87	Percentage Change	
				4 Mos. '87/'86	Apr./March '87
ENID MSA					
Employment (Number)					
Labor Force	29,625	31,800	29,600	-6.8	0.0
Total Employment	27,075	29,400	27,250	-7.9	0.7
Unemployment Rate (%)	8.5	7.5	7.9	—	—
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	248	942	238	-73.6	—
Number of Units	4	13	3	-69.2	—
Residential—Multi Family					
Dollar Value ($000)	0	0	0	0.0	0.0
Number of Units	0	0	0	0.0	0.0
Nonresidential					
Commercial ($000)	367	70	345	424.6	E
Industrial ($000)	444	1,387	0	-68.0	—
Institutional ($000)	0	0	0	0.0	0.0
Nonbuilding					
Streets and Highways ($000)	0	0	0	0.0	0.0
All Other Nonbuilding ($000)	185	0	114	—	159.1
Total Construction ($000)	1,244	2,399	698	-48.1	41.3
LAWTON MSA					
Employment (Number)					
Labor Force	47,406	47,900	47,800	-1.0	0.8
Total Employment	44,888	45,500	45,300	-1.3	0.9
Unemployment Rate (%)	5.3	4.9	5.2	—	—
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	7,282	8,061	1,731	-9.7	-50.4
Number of Units	111	137	24	-19.0	-54.7
Residential—Multi Family					
Dollar Value ($000)	400	1,467	0	-72.7	0.0
Number of Units	16	56	0	-71.4	0.0
Nonresidential					
Commercial ($000)	1,079	2,022	44	-46.6	-94.0
Industrial ($000)	20	408	0	-95.1	0.0
Institutional ($000)	0	15	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	116	417	116	-72.2	—
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	8,897	12,388	1,891	-28.2	-55.2
MUSKOGEE MA					
Employment (Number)					
Labor Force	33,019	32,500	33,075	1.6	-0.1
Total Employment	30,019	29,300	30,175	2.5	0.3
Unemployment Rate (%)	9.1	9.8	8.8	—	—
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	1,853	2,372	365	-21.9	-29.7
Number of Units	23	35	0	-34.3	—
Residential—Multi Family					
Dollar Value ($000)	75	2,879	0	-97.4	—
Number of Units	2	56	0	-96.4	—
Nonresidential					
Commercial ($000)	7,141	921	1,370	E	-74.0
Industrial ($000)	886	1,502	0	-41.0	—
Institutional ($000)	0	2,109	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	0	0	0	0.0	0.0
All Other Nonbuilding ($000)	0	39	0	—	0.0
Total Construction ($000)	9,955	9,822	1,735	1.4	-70.5

Note: Includes revisions.
E = Exceeds 600 percent

Sources for all tables: Local utilities companies; 10th Federal Reserve District Member Banks; Federal Home Loan Bank of Topeka; Oklahoma Employment Security Commission; United States Department of Commerce, Construction Statistics Division; Oklahoma Department of Transportation, *Progressive Report of the Transportation Director*; Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian M. Hickey, Research Assistant.

Printed by University Printing Services. Seven hundred copies were prepared and distributed at a total of $500.00. Cost to the taxpayers of the State of Oklahoma: $312.00. July 1987.

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73069. July 1987, volume 55, number 7, ISSN 0030-1671. Second class postage paid at Norman, Oklahoma 73070. Subscription price per year is $10.00. Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73069. NOTE: Beginning January 1987 articles formerly published in *Review of Regional Economics and Business* will be incorporated into the March and September issues of the *Oklahoma Business Bulletin*.

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

OKLAHOMA CITY AND TULSA MSAs

Category	4 Mos. '87	4 Mos. '86	Apr. '87	Percentage Change 4 Mos.'87/'86	Percentage Change Apr./March '87
OKLAHOMA CITY MSA					
Employment (Number)					
Labor Force	500,075	513,800	500,600	-2.7	-0.1
Total Employment	466,500	482,300	469,200	-3.3	0.7
Unemployment Rate (%)	6.7	6.1	6.3	—	—
Bank Deposits ($000,000)[a]					
Demand Deposits	931.1	1,002.1	889.2	-7.1	-4.2
Time and Savings Deposits	1,868.8	2,287.9	1,708.0	-18.3	-3.6
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	53,040	69,653	17,038	-23.9	0.5
Number of Units	867	1,166	269	-25.6	-4.3
Residential—Multi Family					
Dollar Value ($000)	1,058	15,520	0	-93.2	—
Number of Units	49	512	0	-90.4	—
Nonresidential					
Commercial ($000)	39,662	33,281	6,935	19.2	25.7
Industrial ($000)	1,402	2,021	245	-30.7	-48.5
Institutional ($000)	1,417	4,470	145	-68.3	-57.4
Nonbuilding					
Streets and Highways ($000)	13,949	19,317	6,972	-27.8	57.9
All Other Nonbuilding ($000)	1,081	2,047	470	-47.2	91.5
Total Construction ($000)	111,609	146,301	31,805	-23.7	12.9
General Business Index	86.8	87.3	86.9	-0.6	-1.7
TULSA MSA					
Employment (Number)					
Labor Force	356,625	350,600	355,600	1.7	-0.4
Total Employment	324,750	322,200	326,000	0.8	0.6
Unemployment Rate (%)	8.9	8.1	8.3	—	—
Bank Deposits ($000,000)[a]					
Demand Deposits	872.2	725.4	885.9	20.2	4.7
Time and Savings Deposits	2,398.0	2,079.4	2,348.3	15.3	-2.7
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	43,090	38,976	12,581	10.6	-15.7
Number of Units	610	646	172	-5.6	-24.2
Residential—Multi Family					
Dollar Value ($000)	10,368	15,504	94	-33.1	-99.1
Number of Units	460	430	5	7.0	-98.9
Nonresidential					
Commercial ($000)	10,535	19,518	2,230	-46.0	12.5
Industrial ($000)	2,195	1,773	872	23.8	68.5
Institutional ($000)	4,216	5,457	752	-22.8	-33.6
Nonbuilding					
Streets and Highways ($000)	768	8,092	48	-90.5	-85.7
All Other Nonbuilding ($000)	1,170	2,520	517	-53.6	76.5
Total Construction ($000)	72,341	91,842	17,094	-21.2	-41.4
General Business Index	87.6	89.3	87.7	-1.9	-1.7

Note: Includes revisions.

[a] Deposits in Large Commercial Banks

CONSTRUCTION, STATE

Category	4 Mos. '87	4 Mos. '86	Apr. '87	Percentage Change 4 Mos. '87/'86	Percentage Change Apr./March '87
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	115,775	131,609	34,828	-12.0	-11.2
Number of Units	1,753	2,174	517	-19.4	-15.2
Residential—Multi Family					
Dollar Value ($000)	12,844	37,618	429	-65.9	-95.9
Number of Units	554	1,167	13	-52.5	-97.2
Nonresidential					
Commercial ($000)	66,934	64,663	15,946	3.5	8.6
Industrial ($000)	5,091	7,287	1,157	-30.1	-25.5
Institutional ($000)	10,319	21,271	911	-51.5	-81.9
Nonbuilding					
Streets and Highways ($000)	37,978	57,374	17,275	-33.8	50.3
All Other Nonbuilding ($000)	2,559	5,391	1,169	-52.5	91.3
Total Construction ($000)	251,501	325,213	71,715	-22.7	-13.7

Note: Includes revisions.

8/27/87 U8130-1 A

OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

ISSN 0030-1671

August 1987

VOL. 55, ISSUE 8

SUMMARY OF INDICATORS

Category	5 Mos. '87	5 Mos. '86	May '87	Percentage Change 5 Mos. '87/86	Percentage Change May/Apr. '87
Personal Income (Monthly Average)					
Unadjusted ($000,000)	3,374.1	3,421.2	3,404.6	-1.4	0.2
Adjusted for CPI ($000,000)	1,004.2	1,047.2	1,005.2	-4.1	-0.1
Crude Oil Production (000 bbl)	51,567.8	64,310.0	9,849.7	-19.8	-5.8
Industrial Power Sales (000,000 Kwh)[a]	3,261	3,359	676	-2.9	2.9
Total Bank Deposits (Monthly Average) ($000,000)[b]					
Demand	7,477	7,591	7,531	-1.5	3.8
Savings	25,688	27,429	25,671	-6.3	4.5
Savings and Loan Associations ($000,000)					
Assets	9,964.1	10,048.8	9,984.7	-0.8	1.6
New Mortgage Loans Made	445.9	605.1	96.3	-26.3	-12.3
Employment[c]					
Total Labor Force (000)	1,565.5	1,585.8	1,574.6	-1.3	0.7
Total Employment (000)	1,437.0	1,460.4	1,457.1	-1.6	1.1
Unemployment Rate (%)	8.2	7.9	7.5	—	—
General Business Index	93.5	91.5	93.8	2.23	-0.9

Note: Includes revisions.
[a] Sales of larger privately owned utility companies
[b] Total deposits of all depository institutions.
[c] Civilian Labor Force.

RETAIL TRADE IN SELECTED CITIES
($000)

City	May '87 Adjusted	May '87 Unadjusted	Adjusted '87/'86 5 Mos.	Adjusted 1987 May/Apr.
Ada	12,976	14,232	-8.9	3.2
Altus	11,018	12,171	-12.0	-0.7
Alva	2,271	2,481	-29.7	-4.7
Anadarko	4,180	4,719	-20.1	-4.0
Ardmore	16,560	18,433	-8.9	-3.6
Bartlesville	17,627	18,389	-9.5	-2.4
Blackwell	2,629	2,950	-18.9	-4.2
Broken Arrow	15,441	17,850	-12.2	-1.6
Chickasha	7,962	8,867	-14.1	-2.8
Clinton	5,112	5,905	-13.5	-2.3
Cushing	5,063	5,639	-18.6	-0.4
Del City	8,828	9,999	5.5	-6.0
Duncan	11,820	13,448	-13.9	0.4
Durant	9,305	9,952	1.2	-21.4
Edmond	15,779	17,202	-18.5	-7.4
Elk City	6,265	7,064	-18.5	-2.2
El Reno	6,487	7,295	-17.7	-2.6
Guthrie	4,430	5,076	-18.3	-1.1
Guymon	4,230	4,566	-13.8	6.5
Henryetta	3,353	3,776	-17.9	-23.3
Hobart	1,937	2,195	-17.2	-5.0
Holdenville	2,346	2,627	-17.6	-1.6
Hugo	2,370	2,636	-16.6	-12.8
Idabel	3,313	3,665	-13.6	-3.2
Lawton	42,701	48,355	-3.3	-2.3
McAlester	8,963	10,028	-13.6	-2.4
Miami	10,021	11,110	-14.0	-2.6
Midwest City	31,667	34,468	-12.2	1.0
Moore	11,300	11,944	-2.1	-5.1
Muskogee	23,970	26,612	-8.3	-2.0
Norman	48,896	54,087	-15.2	-4.2
Oklahoma City	240,199	265,605	-9.1	-2.1
Okmulgee	4,782	5,371	-15.3	-1.6
Pauls Valley	3,404	3,600	-15.0	-5.3
Pawhuska	1,592	1,713	-10.8	-12.2
Ponca City	13,658	15,173	-12.5	-1.1
Poteau	3,868	4,306	-15.7	-0.1
Sand Springs	7,345	8,324	-6.5	-4.1
Sapulpa	10,898	12,277	-16.0	-5.1
Seminole	5,287	5,762	-18.3	-2.7
Shawnee	21,342	24,543	-6.0	1.0
Stillwater	20,978	22,469	1.1	-1.5
Tahlequah	7,443	8,216	-5.0	9.2
Tulsa	211,524	227,563	-9.3	-2.2
Watonga	1,588	1,750	-12.3	1.0
Weatherford	5,011	5,027	-20.1	-0.3
Wewoka	1,033	1,132	-11.8	-4.1
Woodward	9,506	10,866	-16.5	-2.2
Total	928,278	1,021,438	-10.2	-2.5

RETAIL TRADE IN METRO AREAS AND STATE
($000)

					Percentage Change		
	5 Mos. '87	5 Mos. '86	May '87		5 Mos. '87/'86	May/Apr. '87	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	920,069	918,495	191,005	203,248	0.2	7.3	8.0
Apparel	76,072	82,633	14,606	13,519	-7.9	-3.0	-10.9
General Merchandise	289,249	320,516	54,864	54,821	-9.8	-7.3	0.1
Furniture	124,336	108,546	24,930	24,591	14.5	-2.9	-4.6
Lumber	70,673	89,348	14,508	16,846	-20.9	0.9	1.9
Auto Dealers	598,407	773,630	97,398	119,778	-22.6	-5.7	1.4
Service Stations	89,176	99,523	17,951	17,592	-10.4	-5.5	-1.9
All Other	279,933	278,403	45,586	55,871	0.5	-13.5	-3.6
Total	2,447,915	2,671,094	460,848	506,266	-8.4	-1.4	2.4
TULSA MSA							
Food	555,564	558,630	114,376	119,192	-0.5	1.8	5.2
Apparel	68,997	72,904	12,771	12,096	-5.4	-8.4	-10.0
General Merchandise	235,718	248,412	47,728	49,618	-5.1	-0.8	3.8
Furniture	95,135	98,755	18,833	18,419	-3.7	-1.8	-8.2
Lumber	58,693	73,040	10,984	12,644	-19.6	-4.1	-0.4
Auto Dealers	348,183	450,133	56,669	69,692	-22.6	-5.7	1.4
Service Stations	73,257	81,769	14,747	14,452	-10.4	-5.5	-1.9
All Other	26,517	28,291	3,147	4,405	-6.3	-21.2	-20.5
Total	1,462,064	1,611,934	279,255	300,518	-9.3	-1.9	1.4
ENID MSA							
Food	46,371	47,967	9,753	10,521	-3.3	2.3	10.9
Apparel	7,582	7,847	1,514	1,531	-3.4	-7.4	-11.9
General Merchandise	19,556	20,915	3,937	4,234	-6.5	0.2	8.8
Furniture	5,085	5,051	919	992	0.7	9.0	11.1
Lumber	6,405	7,720	1,274	1,543	-17.0	6.1	13.0
Auto Dealers	34,247	44,271	5,574	6,855	-22.6	-5.7	1.4
Service Stations	6,575	7,340	1,323	1,297	-10.4	-5.5	-1.9
All Other	12,863	13,081	2,472	2,784	-1.7	21.7	11.1
Total	138,684	154,192	26,766	29,757	-10.1	1.2	6.4
LAWTON MSA							
Food	79,782	74,663	15,852	17,620	6.9	6.2	15.4
Apparel	9,241	8,462	1,725	1,704	9.2	-7.9	-14.5
General Merchandise	57,071	49,536	10,493	11,461	15.2	-6.2	1.4
Furniture	11,228	12,575	2,297	2,314	-10.7	-8.5	-3.3
Lumber	7,961	10,083	1,601	1,864	-21.0	-5.8	-3.6
Auto Dealers	45,645	59,010	7,429	9,136	-22.6	-5.7	1.4
Service Stations	4,487	5,003	903	885	-10.3	-5.5	-1.9
All Other	16,420	17,473	2,761	3,217	-6.0	2.3	-9.2
Total	231,835	236,805	43,061	48,201	-2.1	-1.5	4.0
MUSKOGEE AREA							
Food	56,836	58,479	10,705	11,633	-2.8	-1.4	5.8
Apparel	8,197	7,869	1,597	1,545	4.2	6.3	1.5
General Merchandise	15,548	17,672	3,159	3,326	-12.0	3.1	-3.9
Furniture	5,384	6,063	1,067	1,056	-11.2	-6.3	-18.0
Lumber	2,284	2,891	398	442	-21.0	-15.0	-6.4
Auto Dealers	28,800	37,235	4,686	5,763	-22.7	-5.7	1.4
Service Stations	5,764	6,441	1,157	1,135	-10.5	-5.6	-1.9
All Other	13,681	12,726	2,432	2,916	7.5	6.2	-0.9
Total	136,494	149,376	25,201	27,816	-8.6	-1.2	1.1
STATE[a]							
Durable Goods	2,229,218	2,772,881	385,623	452,001	-19.6	-4.2	2.1
Auto Dealers	1,495,355	1,933,254	243,353	299,261	-22.7	-5.7	1.4
Accessory Dealers	137,581	146,902	26,673	29,464	-6.3	-2.5	2.3
Total Automotive	1,632,936	2,080,156	270,026	328,725	-21.5	-5.4	1.5
Furniture	109,679	121,871	21,565	21,188	-10.0	8.3	9.4
Household Appliances	94,855	102,085	18,625	18,884	-7.1	15.4	18.4
Total Furniture and Appliances	204,534	223,956	40,190	40,072	-8.7	11.5	13.5
Lumber and Building Materials	236,336	280,778	46,499	52,310	-15.8	-7.0	-7.3
Hardware Stores	26,538	27,412	5,272	6,084	-3.2	-1.6	-0.2
Total Lumber, Building Materials & Hardware	262,874	308,190	51,771	58,394	-14.7	-6.5	-6.6
Nondurable Goods	4,531,601	4,644,261	823,797	856,726	-2.4	-10.4	-6.4
Apparel	261,182	265,204	52,056	49,458	-1.5	1.0	-5.4
Drug Stores	229,857	204,439	44,841	45,751	12.4	-3.8	-4.1
Eating and Drinking Places	803,539	778,759	163,694	177,329	3.2	1.0	4.4
Food Group	1,809,871	1,905,205	284,216	298,306	-5.0	-22.5	-19.3
Service Stations	292,847	326,847	58,937	57,761	-10.4	-5.6	-1.9
General Merchandise Group	794,522	830,255	160,008	159,722	-4.3	-0.3	6.9
Total Retail Trade	6,760,819	7,417,142	1,209,420	1,308,727	-8.8	8.5	-3.6

[a] Total includes data for categories not shown in the table

ENID AND LAWTON MSAs
MUSKOGEE MA

Category	5 Mos. '87	5 Mos. '86	May '87	Percentage Change 5 Mos. '87/'86	Percentage Change May/Apr. '87
ENID MSA					
Employment (Number)					
Labor Force	29,640	31,800	29,700	-6.8	0.3
Total Employment	27,175	29,300	27,575	-7.3	1.2
Unemployment Rate (%)	8.3	7.7	7.2	—	—
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	373	1,117	125	-66.6	-47.6
Number of Units	5	16	1	-68.8	-66.7
Residential—Multi Family					
Dollar Value ($000)	0	0	0	0.0	0.0
Number of Units	0	0	0	0.0	0.0
Nonresidential					
Commercial ($000)	367	70	0	424.6	—
Industrial ($000)	1,194	1,387	750	-13.9	—
Institutional ($000)	0	0	0	0.0	0.0
Nonbuilding					
Streets and Highways ($000)	0	193	0	—	0.0
All Other Nonbuilding ($000)	185	0	0	—	—
Total Construction ($000)	2,119	2,766	875	-23.4	25.4
LAWTON MSA					
Employment (Number)					
Labor Force	47,850	48,100	48,275	-0.5	1.0
Total Employment	45,105	45,700	45,950	-1.3	1.4
Unemployment Rate (%)	5.2	4.9	4.7	—	—
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	9,660	9,464	2,378	2.1	37.4
Number of Units	150	160	39	-6.3	62.5
Residential—Multi Family					
Dollar Value ($000)	400	1,997	0	-80.0	0.0
Number of Units	16	74	0	-78.4	0.0
Nonresidential					
Commercial ($000)	1,623	2,082	544	-22.0	E
Industrial ($000)	200	408	0	-51.0	0.0
Institutional ($000)	0	138	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	406	1,429	291	-71.6	150.8
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	12,109	15,516	3,212	-22.0	69.9
MUSKOGEE MA					
Employment (Number)					
Labor Force	33,075	32,700	33,300	1.1	1.0
Total Employment	30,115	29,500	30,500	2.1	1.1
Unemployment Rate (%)	9.0	9.7	8.4	—	—
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	2,471	525	618	370.6	69.0
Number of Units	32	8	9	300.0	200.0
Residential—Multi Family					
Dollar Value ($000)	491	2,167	416	-77.4	—
Number of Units	12	40	10	-70.0	—
Nonresidential					
Commercial ($000)	7,487	30	345	E	-74.8
Industrial ($000)	886	0	0	—	0.0
Institutional ($000)	0	550	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	0	0	0	0.0	0.0
All Other Nonbuilding ($000)	0	15	0	—	0.0
Total Construction ($000)	11,334	3,287	1,379	244.8	-20.6

Note: Includes revisions.

E = Exceeds 600 percent.

Sources for all tables: Local utilities companies, 10th Federal Reserve District Member Banks, Federal Home Loan Bank of Topeka, Oklahoma Employment Security Commission, United States Department of Commerce, Construction Statistics Division, Oklahoma Department of Transportation, *Progressive Report of the Transportation Director*, Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian M. Hickey, Research Assistant.

Printed by University Printing Services. Seven hundred copies were prepared and distributed at a total of $500.00. Cost to the taxpayers of the State of Oklahoma: $312.00. August 1987.

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73069. August 1987, volume 55, number 8. ISSN 0030-1671. Second class postage paid at Norman, Oklahoma 73070. Subscription price per year is $10.00. Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73069.

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

MEMBER

OKLAHOMA CITY AND TULSA MSAs

Category	5 Mos. '87	5 Mos. '86	May '87	Percentage Change 5 Mos. '87/'86	Percentage Change May/Apr. '87
OKLAHOMA CITY MSA					
Employment (Number)					
Labor Force	501,180	515,500	505,000	-2.8	0.8
Total Employment	465,260	483,500	475,000	-3.8	1.2
Unemployment Rate (%)	6.6	6.2	6.1	—	—
Mortgage Loans Closed ($000,000)[a]	114.5	129.1	22.8	-11.3	-51.4
Bank Deposits ($000,000)[b]					
Demand Deposits	921,501	963,924	883,094	-4.4	-0.7
Time and Savings Deposits	1,835,390	2,252,761	1,701,812	-18.5	-0.4
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	64,508	85,970	11,751	-25.0	-29.8
Number of Units	1,054	1,438	190	-26.7	-28.3
Residential—Multi Family					
Dollar Value ($000)	1,058	20,747	0	-94.9	0.0
Number of Units	49	711	0	-93.1	0.0
Nonresidential					
Commercial ($000)	43,644	31,755	4,830	37.4	-23.7
Industrial ($000)	2,178	2,875	921	-24.3	E
Institutional ($000)	4,369	3,618	1,152	20.8	-40.8
Nonbuilding					
Streets and Highways ($000)	19,884	20,641	5,935	-3.7	-14.9
All Other Nonbuilding ($000)	2,178	1,220	649	78.6	-29.4
Total Construction ($000)	137,819	166,825	25,238	-17.4	-23.5
General Business Index	87.2	86.6	89.2	0.7	2.6
TULSA MSA					
Employment (Number)					
Labor Force	356,800	352,400	357,300	1.2	0.4
Total Employment	325,560	323,500	328,800	0.6	0.8
Unemployment Rate (%)	8.8	8.2	8.2	—	—
Mortgage Loans Closed ($000,000)[a]	131.1	130.6	30.2	0.4	42.4
Bank Deposits ($000,000)[b]					
Demand Deposits	865,298	720,803	837,654	20.0	-5.4
Time and Savings Deposits	2,374,072	2,066,837	2,278,093	14.9	-3.0
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	53,243	49,956	10,237	6.6	-20.1
Number of Units	751	820	146	-8.4	-15.6
Residential—Multi Family					
Dollar Value ($000)	10,143	17,266	0	-41.3	—
Number of Units	451	525	0	-14.1	—
Nonresidential					
Commercial ($000)	11,884	23,671	1,798	-49.8	-16.9
Industrial ($000)	2,293	1,922	98	19.3	-88.8
Institutional ($000)	9,703	7,591	5,650	27.8	E
Nonbuilding					
Streets and Highways ($000)	4,575	8,989	3,806	-49.1	E
All Other Nonbuilding ($000)	1,846	2,952	551	-37.5	-16.5
Total Construction ($000)	93,687	112,346	22,141	-16.6	28.2
General Business Index	87.6	87.8	87.6	-0.2	0.0

Note: Includes revisions.
E = Exceeds 600 percent

[a] By Savings and Loan Associations.
[b] Total deposits of large commercial banks.

CONSTRUCTION, STATE

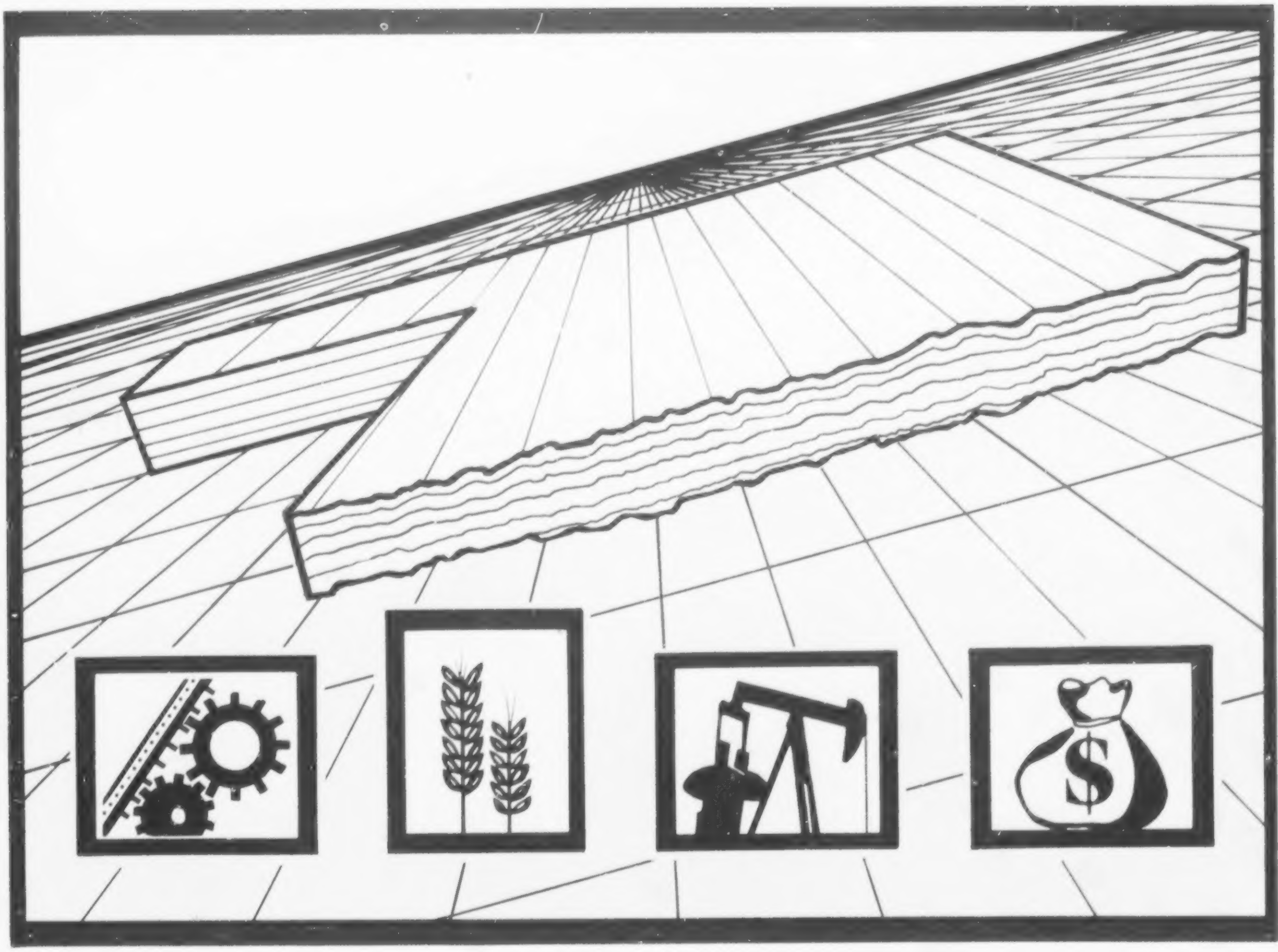
Category	5 Mos. '87	5 Mos. '86	May '87	Percentage Change 5 Mos. '87/'86	Percentage Change May/Apr. '87
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	142,904	158,790	27,451	-10.0	-21.1
Number of Units	2,159	2,628	413	-17.8	-19.8
Residential—Multi Family					
Dollar Value ($000)	13,215	43,635	596	-69.7	38.9
Number of Units	560	1,438	15	-61.1	15.4
Nonresidential					
Commercial ($000)	73,772	66,846	8,135	10.4	-46.7
Industrial ($000)	6,915	7,087	1,969	-2.4	94.5
Institutional ($000)	18,886	22,063	6,880	-14.4	168.1
Nonbuilding					
Streets and Highways ($000)	59,000	66,502	21,022	-11.3	21.7
All Other Nonbuilding ($000)	4,373	5,032	1,240	-13.1	-29.5
Total Construction ($000)	319,067	369,956	67,294	-13.8	-8.0

Note: Includes revisions.

10/8/87 UL8130-1 A

OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA



The *Oklahoma Business Bulletin* is now combined with the *Review of Regional Economics and Business*. There will be four quarterly expanded editions of the *Bulletin* which will contain both articles and the usual statistical information on Oklahoma and its major centers. The remaining eight monthly issues of the *Bulletin* will contain only the statistical summaries, although articles on timely subjects might also appear in these inter-quarterly issues. The combination of these two publications will provide a more thorough examination of economic problems prevalent in Oklahoma as well as continuing to provide economic data which has long been presented in the *Oklahoma Business Bulletin*.

This publication change at the Center has been assisted by funding provided by the Robert S. and Grayce B. Kerr Foundation Inc., for which the Center is most grateful.

We at the Center are most hopeful that the Oklahoma oriented articles will assist State leaders and citizens in their efforts to solve the economic problems now facing the State.

George W. England
Director

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73069. September 1987, volume 55, number 9, ISSN 0030-1671. Second class postage paid at Norman, Oklahoma 73070. Subscription price per year is $10.00. Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73069.

The Editorial Review Board welcomes original manuscripts, studies, and research reports from persons in both the public and private sector in any area of economics and business administration. The editorial policy of the *Bulletin* promotes a free exchange of ideas and analyses. Accordingly, the contents do not necessarily reflect the views of the editor or the publisher.

Manuscripts for consideration should be typed, double-spaced, and submitted in duplicate. Each submitted manuscript is reviewed by at least two members of the Editorial Review Board and a decision is usually reached in four to six weeks.

ISSN 0145-3971

PUBLICATIONS STAFF

Director	GEORGE W. ENGLAND
Associate Director	NEIL J. DIKEMAN, JR.
Statistician	MARJORIE EARLEY
Editor	ALICE WATKINS
Typesetter	PAT WICKHAM
Graphics	ROY YEOW
Copyreader	MARILYN CAIN

EDITORIAL REVIEW BOARD

CLYDE C. COLE President, Tulsa Chamber of Commerce, Tulsa, Oklahoma.

JAMES A. CONSTANTIN David Ross Boyd Professor Emeritus, College of Business Administration, University of Oklahoma, Norman, Oklahoma.

JAMES E. HIBDON Professor of Economics, University of Oklahoma, Norman, Oklahoma.

H.E. RAINBOLT Chairman of the Board, Federal National Bank & Trust Company, Shawnee, Oklahoma.

ROBERT L. SANDMEYER Dean, College of Business Administration, Oklahoma State University, Stillwater, Oklahoma.

WILLIS J. WHEAT T.K. Hendrick Professor of Marketing/Management, School of Management and Business Sciences, Oklahoma City University.

DANIEL A. WREN Professor of Management, University of Oklahoma, Norman, Oklahoma.

Address all manuscripts and correspondence to:

Oklahoma Business Bulletin
Center for Economic and Management Research
307 West Brooks, Room 4
Norman, Oklahoma 73019

The *Oklahoma Business Bulletin* is published by the Center for Economic and Management Research, College of Business Administration, The University of Oklahoma.

© 1987 by the Center for Economic and Management Research.
Printed in the United States of America.

SUMMARY OF INDICATORS

				Percentage Change	
Category	6 Mos. '87	6 Mos. '86	June '87	6 Mos. '87/'86	June/May '87
Personal Income (Monthly Average)					
Unadjusted ($000,000)	3,381.2	3,424.8	3,416.5	-1.3	0.3
Adjusted for CPI ($000,000)	1,004.4	1,047.6	1,004.6	-4.1	-0.1
Crude Oil Production (000 bbl)	61,513.5	76,269.0	9,945.7	-19.4	0.9
Industrial Power Sales (000,000 Kwh)[a]	3,971	4,023	710	-1.3	5.0
Total Bank Deposits ($000,000)[b]					
Demand	7,500	7,539	7,611	-0.5	1.1
Savings	25,670	27,058	25,584	-5.1	-0.3
Savings and Loan Associations ($000,000)					
Assets	9,968.0	10,039.4	9,987.3	0.0	0.0
New Mortgage Loans Made	530.8	732.8	84.9	-27.6	-11.8
General Business Index	93.5	91.0	93.2	2.8	-0.6

Note: Includes revisions.

[a] Sales of larger privately owned utility companies.

[b] Total deposits of all depository institutions.

SELECTED ECONOMIC INDICATORS

				Percentage Change	
Category	6 Mos. '87	6 Mos. '86	June '87	6 Mos. '87/'86	June/May '87
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	175,338	189,108	32,434	-7.3	18.2
Number of Units	2,661	3,117	502	-14.6	21.5
Residential—Multi Family					
Dollar Value ($000)	14,784	48,602	1,568	-69.6	163.0
Number of Units	648	1,629	88	-60.2	486.7
Nonresidential					
Commercial ($000)	85,135	76,124	11,363	11.8	39.7
Industrial ($000)	8,000	7,504	1,085	6.6	-44.9
Institutional ($000)	21,579	26,722	2,692	-19.2	-60.9
Nonbuilding					
Streets and Highways ($000)	72,016	78,304	13,016	-8.0	-38.1
All Other Nonbuilding ($000)	5,606	6,483	1,233	-13.5	-0.6
Total Construction ($000)	382,458	432,847	63,391	-11.6	-5.8
EMPLOYMENT TRENDS					
Total Labor Force (000)[a]	1,568.2	1,593.1	1,581.7	-1.6	0.4
Total Employment (000)	1,441.2	1,465.6	1,461.7	-1.7	0.3
Agriculture (000)	36.7	46.7	45.0	-21.4	5.1
Nonagriculture (000)	1,404.5	1,418.9	1,416.7	-1.0	0.2
Manufacturing (000)	158.3	164.4	158.9	-3.8	0.1
Mining (000)	52.8	57.3	52.4	-7.9	-0.6
Government (000)	253.9	253.8	250.9	0.0	-1.8
Contract Construction (000)	39.1	40.5	41.1	-3.5	2.5
Services (000)	225.2	223.6	229.2	0.7	0.8
Retail Trade (000)	213.4	215.0	214.1	-0.7	0.0
Unemployment Rate (%)	8.1	8.0	7.6	—	—
Average Weekly Hours					
Manufacturing (Per Worker)	41.1	41.0	41.0	0.2	-0.5
Average Weekly Earnings					
Manufacturing ($ Per Worker)	407.78	406.99	410.82	0.2	-0.1
Contract Construction ($ Per Worker)	426.43	398.24	419.25	7.1	-7.1
Retail Trade Excluding Eating and Drinking Places($ Per Worker)	189.89	189.20	192.82	0.4	1.6

Note: Includes revisions.

[a] Civilian Labor Force.

RETAIL TRADE IN METRO AREAS AND STATE
($000)

					Percentage Change		
	6 Mos. '87	6 Mos. '86	June '87		6 Mos. '87/'86	June/May '87	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	1,104,838	1,105,775	183,867	195,788	-0.1	-3.8	-3.7
Apparel	90,792	97,985	14,653	13,646	-7.3	0.2	0.9
General Merchandise	347,115	372,606	57,530	60,084	-6.8	4.4	9.6
Furniture	145,193	131,462	21,548	21,677	10.4	-12.4	-11.8
Lumber	84,563	104,934	13,988	16,421	-19.4	-3.3	-2.5
Auto Dealers	733,370	928,961	133,695	135,082	-21.1	35.0	12.8
Service Stations	101,514	116,357	12,700	13,490	-12.8	-27.3	-23.3
All Other	336,654	338,665	50,627	60,784	-0.6	1.6	-2.2
Total	2,944,039	3,196,745	488,608	516,972	-7.9	4.8	0.9
TULSA MSA							
Food	661,730	668,897	107,237	114,436	-1.1	-5.5	-4.0
Apparel	82,789	86,804	13,837	13,098	-4.6	8.6	8.3
General Merchandise	281,313	287,865	45,829	48,184	-2.3	-4.0	-2.9
Furniture	112,577	116,747	17,667	18,931	-3.6	-5.7	2.8
Lumber	70,462	85,428	11,688	13,774	-17.5	5.3	8.9
Auto Dealers	426,709	540,510	77,788	78,597	-21.1	35.0	12.8
Service Stations	83,394	95,600	10,433	11,082	-12.8	-27.3	-23.3
All Other	41,740	46,624	7,511	6,706	-10.5	37.5	-1.6
Total	1,760,714	1,928,475	291,990	304,808	-8.7	3.8	0.6
ENID MSA							
Food	56,061	57,754	9,660	9,772	-2.9	-1.2	-7.1
Apparel	9,124	9,287	1,531	1,436	-1.8	0.7	-6.2
General Merchandise	23,496	24,208	3,947	3,908	-2.9	-0.1	-7.7
Furniture	5,958	6,010	892	857	-0.9	-2.6	-13.6
Lumber	7,754	9,030	1,322	1,508	-14.1	2.5	-2.3
Auto Dealers	41,972	53,160	7,652	7,731	-21.0	35.0	12.8
Service Stations	7,484	8,581	936	994	-12.8	-27.3	-23.4
All Other	17,614	16,537	2,346	2,926	6.5	-18.5	-14.0
Total	169,463	184,567	28,286	29,132	-8.2	3.6	-4.1
LAWTON MSA							
Food	94,566	89,059	14,704	16,508	6.2	-7.1	-6.3
Apparel	11,138	10,055	1,841	1,790	10.8	6.2	5.0
General Merchandise	68,137	58,144	10,724	11,401	17.2	1.2	-0.5
Furniture	13,180	15,507	1,992	2,072	-15.0	-12.5	-10.5
Lumber	9,600	11,832	1,656	1,812	-18.9	3.3	-2.8
Auto Dealers	55,939	70,858	10,197	10,303	-21.1	35.0	12.8
Service Stations	5,108	5,849	640	679	-12.7	-27.2	-23.3
All Other	19,301	21,253	2,591	3,833	-9.2	-11.4	5.1
Total	276,969	282,557	44,345	48,398	-2.0	2.2	-0.5
MUSKOGEE AREA							
Food	67,425	69,377	10,574	11,754	-2.8	-0.8	1.0
Apparel	9,566	9,422	1,397	1,383	1.5	-11.7	-10.5
General Merchandise	18,637	20,392	3,120	3,209	-8.6	-1.4	-3.5
Furniture	6,286	7,132	945	1,038	-11.9	-10.3	-1.7
Lumber	2,702	3,241	434	532	-16.6	8.5	20.4
Auto Dealers	35,293	44,710	6,431	6,499	-21.1	34.9	12.8
Service Stations	6,552	7,519	818	870	-12.9	-27.4	-23.3
All Other	17,490	15,687	2,374	3,172	11.5	-14.6	0.4
Total	163,951	177,480	26,093	28,457	-7.6	2.2	1.4
STATE[a]							
Durable Goods	2,705,883	3,306,094	476,614	488,176	-18.2	23.2	8.0
Auto Dealers	1,832,554	2,321,417	334,034	337,498	-21.1	35.0	12.8
Accessory Dealers	164,116	174,821	26,644	30,106	-6.1	0.1	2.2
Total Automotive	1,996,670	2,496,238	360,678	367,604	-20.0	31.6	11.8
Furniture	129,503	142,233	20,287	20,463	-9.0	-3.8	-3.4
Household Appliances	111,523	120,999	16,923	18,117	-7.8	-8.7	-4.1
Total Furniture and Appliances	241,026	263,232	37,210	38,580	-8.4	-6.1	-3.7
Lumber and Building Materials	282,782	329,709	46,901	53,696	-14.2	0.9	2.6
Hardware Stores	31,577	32,517	5,149	6,029	-2.9	-1.3	-0.9
Total Lumber, Building Materials & Hardware	314,359	362,226	52,050	59,725	-13.2	0.7	2.3
Nondurable Goods	5,313,870	5,541,316	797,459	820,621	-4.1	-4.1	-4.2
Apparel	311,711	318,013	50,659	47,336	-2.0	-2.6	-4.3
Drug Stores	272,253	245,649	43,227	41,798	10.8	-2.9	-8.6
Eating and Drinking Places	951,208	934,939	147,610	159,738	1.7	-10.3	-9.9
Food Group	2,104,760	2,278,171	301,289	319,874	-7.6	6.6	7.2
Service Stations	333,059	381,860	41,724	44,292	-12.8	-27.3	-23.3
General Merchandise Group	948,660	983,946	154,735	149,484	-3.6	-2.7	-6.4
Total Retail Trade	8,019,753	8,847,410	1,274,073	1,308,797	-9.4	4.6	0.0

[a] Total includes data for categories not shown in the table

RETAIL TRADE IN SELECTED CITIES
($000)

	6 Mos. '87	6 Mos. '86	June '87		Percentage Change		
					6 Mos. '87/'86	June/May '87	
Retail Trade	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
Ada	78,468	85,222	12,622	13,145	-7.9	-3.1	-7.6
Altus	68,825	77,875	11,195	12,080	-11.6	1.3	-0.7
Alva	16,608	23,900	2,388	2,567	-30.5	5.2	3.5
Anadarko	25,872	31,725	4,520	4,990	-18.4	7.0	5.7
Ardmore	103,905	112,761	16,715	18,114	-7.9	1.5	-1.7
Bartlesville	109,519	119,635	18,257	18,804	-8.5	3.4	2.3
Blackwell	16,930	20,422	2,863	3,035	-17.1	8.1	2.9
Broken Arrow	100,083	113,357	16,461	17,807	-11.7	5.6	-0.2
Chickasha	50,193	57,529	8,363	8,745	-12.8	4.3	-1.4
Clinton	34,011	38,798	5,711	6,033	-12.3	11.0	2.2
Cushing	29,955	36,890	4,796	5,260	-18.8	-5.3	-6.7
Del City	65,122	60,563	11,420	12,171	7.5	29.9	21.7
Duncan	74,342	85,507	12,530	12,629	-13.1	5.6	-6.1
Durant	58,647	57,062	9,690	10,394	2.8	3.6	4.4
Edmond	120,617	146,059	20,767	21,537	-17.4	32.3	25.2
Elk City	40,065	48,002	6,755	7,067	-16.5	6.5	0.0
El Reno	41,682	49,384	6,976	7,484	-15.6	6.1	2.6
Guthrie	28,504	34,112	4,605	5,079	-16.4	3.1	0.1
Guymon	25,246	28,743	3,980	4,366	-12.2	-5.5	-4.4
Henryetta	25,777	29,965	4,929	5,249	-14.0	46.3	39.0
Hobart	12,822	15,118	2,087	2,312	-15.2	6.6	5.3
Holdenville	14,919	17,869	2,489	2,584	-16.5	5.1	-1.6
Hugo	15,144	17,763	2,557	2,627	-14.7	6.5	-0.3
Idabel	21,288	24,194	3,368	3,615	-12.0	1.2	-1.4
Lawton	275,802	283,819	43,824	48,096	-2.8	1.8	-0.5
McAlester	54,828	62,020	9,064	9,595	-11.6	0.5	-4.3
Miami	63,094	72,020	10,508	10,920	-12.4	3.7	-1.7
Midwest City	191,803	215,965	32,033	33,173	-11.2	0.3	-3.8
Moore	76,438	76,199	14,316	15,088	0.3	26.2	26.3
Muskogee	155,619	167,964	24,528	27,190	-7.3	1.6	2.2
Norman	322,739	373,933	55,897	56,637	-13.7	13.8	4.7
Oklahoma City	1,505,165	1,646,109	248,913	266,157	-8.6	2.9	0.2
Okmulgee	30,077	34,525	5,317	5,636	-12.9	10.9	4.9
Pauls Valley	21,347	24,819	3,609	3,787	-14.0	5.4	5.2
Pawhuska	9,606	11,240	1,435	1,544	-14.5	-8.7	-9.9
Ponca City	85,072	94,535	14,305	15,376	-10.0	3.6	1.3
Poteau	24,554	28,525	4,081	4,265	-13.9	4.3	-1.0
Sand Springs	46,240	49,234	7,510	8,175	-6.1	1.8	-1.8
Sapulpa	69,213	80,939	11,375	11,993	-14.5	3.6	-2.3
Seminole	33,089	39,187	5,398	5,615	-15.6	1.7	-2.6
Shawnee	134,206	141,930	22,241	23,078	-5.4	3.3	-6.0
Stillwater	132,285	130,125	21,245	21,655	1.7	0.1	-3.6
Tahlequah	43,806	45,703	7,234	7,385	-4.2	-2.7	-10.1
Tulsa	1,332,614	1,456,347	220,195	230,700	-8.5	3.5	1.4
Watonga	9,889	10,942	1,689	1,839	-9.6	5.2	5.1
Weatherford	29,772	36,573	4,894	5,016	-18.6	-2.1	-0.2
Wewoka	6,488	7,371	1,029	1,079	-12.0	-0.4	-4.7
Woodward	60,593	71,561	10,021	10,662	-15.3	4.5	-1.9
Total Selected Cities	5,892,883	6,494,040	976,705	1,032,355	-9.3	4.6	1.1

ENID AND LAWTON MSAs

Category	6 Mos. '87	6 Mos. '86	June '87	Percentage Change 6 Mos. '87/'86	Percentage Change June/May '87
ENID MSA					
Employment (Number)					
Labor Force	29,738	31,788	30,225	-6.4	1.8
Total Employment	27,321	29,300	28,050	-6.8	1.7
Unemployment Rate (%)	8.1	7.8	7.2	—	—
Industrial Power Sales (000 Kwh)	223,396	239,359	37,879	-6.7	0.3
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	553	1,207	180	-54.1	44.0
Number of Units	7	17	2	-58.8	100.0
Residential—Multi Family					
Dollar Value ($000)	0	2,000	0	—	0.0
Number of Units	0	62	0	—	0.0
Nonresidential					
Commercial ($000)	383	70	16	447.3	—
Industrial ($000)	1,194	1,587	0	-24.8	—
Institutional ($000)	0	0	0	0.0	0.0
Nonbuilding					
Streets and Highways ($000)	0	193	0	—	0.0
All Other Nonbuilding ($000)	239	0	54	—	—
Total Construction ($000)	2,370	5,056	250	-53.1	-71.4
LAWTON MSA					
Employment (Number)					
Labor Force	47,725	48,429	48,450	-1.5	0.4
Total Employment	45,233	46,046	45,875	-1.8	-0.2
Unemployment Rate (%)	5.2	4.9	5.3	—	—
Industrial Power Sales (000 Kwh)	92,612	87,741	16,938	5.6	5.7
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	11,160	11,135	1,500	0.2	-36.9
Number of Units	174	186	24	-6.5	-38.5
Residential—Multi Family					
Dollar Value ($000)	400	2,067	0	-80.6	0.0
Number of Units	16	76	0	-78.9	0.0
Nonresidential					
Commercial ($000)	1,623	2,740	0	-40.8	—
Industrial ($000)	20	408	0	-95.1	0.0
Institutional ($000)	0	138	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	406	1,429	0	-71.6	—
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	13,610	17,915	1,500	-24.0	-53.3

Note: Includes revisions.

MUSKOGEE MA

Category	6 Mos. '87	6 Mos. '86	June '87	Percentage Change 6 Mos. '87/'86	Percentage Change June/May '87
Employment (Number)					
Labor Force	33,117	32,900	33,325	0.6	0.1
Total Employment	30,162	29,742	30,400	1.4	-0.3
Unemployment Rate (%)	8.9	9.5	8.8	—	—
Industrial Power Sales (000 Kwh)	100,816	81,700	18,138	23.4	-3.3
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	3,157	690	686	357.5	11.1
Number of Units	42	10	10	320.0	11.1
Residential—Multi Family					
Dollar Value ($000)	769	2,167	278	-64.5	-33.1
Number of Units	19	40	7	-52.5	-30.0
Nonresidential					
Commercial ($000)	7,686	98	199	E	-42.4
Industrial ($000)	1,675	0	789	—	—
Institutional ($000)	1,523	550	1,523	176.8	—
Nonbuilding					
Streets and Highways ($000)	0	0	0	0.0	0.0
All Other Nonbuilding ($000)	14	15	14	-9.4	—
Total Construction ($000)	14,823	3,520	3,489	321.1	153.1

E = exceeds 600 percent.

Note: Includes revisions.

TULSA MSA

				Percentage Change	
Category	6 Mos. '87	6 Mos. '86	June '87	6 Mos. '87/'86	June/May '87
Employment (Number)					
Labor Force	357,817	354,700	363,000	0.9	1.7
Total Employment	326,717	325,200	333,200	0.5	1.6
Manufacturing	49,700	51,867	49,300	-4.2	0.4
Mining	17,000	18,033	17,100	-5.7	1.2
Government	37,067	36,900	36,800	0.4	0.3
Wholesale and Retail Trade	73,383	72,383	74,400	1.4	0.5
Unemployment Rate (%)	8.7	8.3	8.2	—	—
Average Weekly Earnings					
Manufacturing ($ Per Worker)	425.69	414.21	423.15	2.8	-2.2
Industrial Power Sales (000 Kwh)	1,012,171	974,822	185,817	3.8	6.6
Bank Deposits ($000,000)[a]					
Demand Deposits	860.2	718.6	834.8	19.7	-0.3
Time and Savings Deposits	2,350.1	2,062.3	2,230.0	14.0	-2.1
Air Transportation					
Passengers Enplaning (Number)	691,432	670,343	132,445	3.1	0.9
Passengers Deplaning (Number)	699,498	672,630	134,722	4.0	2.4
Freight (Tons)	7,091	5,121	5,121	38.4	20.5
Water Transportation					
Tulsa Port of Catoosa					
Tons In	268,905	276,474	31,161	-2.7	-33.2
Tons Out	673,744	565,574	77,271	19.1	-1.9
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	66,168	59,610	12,925	11.0	26.3
Number of Units	949	981	198	-3.3	35.6
Residential—Multi Family					
Dollar Value ($000)	11,281	19,293	1,138	-41.5	—
Number of Units	527	618	76	-14.7	—
Nonresidential					
Commercial ($000)	13,200	28,198	1,316	-53.2	-26.8
Industrial ($000)	2,293	2,109	0	8.7	—
Institutional ($000)	9,776	8,843	73	10.5	-98.7
Nonbuilding					
Streets and Highways ($000)	10,007	9,491	5,432	5.4	42.7
All Other Nonbuilding ($000)	2,426	3,123	580	-22.3	5.4
Total Construction	115,151	130,666	21,463	-11.9	-3.1
General Business Index	87.5	86.7	86.8	0.9	-0.9

Note: Includes revisions.

[a] Total deposits of large commercial banks.

OKLAHOMA CITY MSA

				Percentage Change	
Category	6 Mos. '87	6 Mos. '86	June '87	6 Mos. '87/'86	June/May '87
Employment (Number)					
Labor Force	502,450	517,800	508,300	-3.0	0.6
Total Employment	469,650	485,100	476,700	-3.2	0.4
Manufacturing	48,617	50,867	48,600	-4.4	0.4
Mining	11,750	14,100	11,300	-16.7	-2.6
Government	97,783	99,667	96,800	-1.9	-1.3
Wholesale and Retail Trade	97,400	104,800	98,100	-7.1	-0.4
Unemployment Rate (%)	6.6	6.3	6.2	—	—
Average Weekly Earnings					
Manufacturing ($ Per Worker)	445.47	439.22	455.63	1.4	0.5
Industrial Power Sales (000 Kwh)	583,922	612,898	102,779	-4.7	1.6
Bank Deposits ($000,000)[a]					
Demand Deposits	919.1	947.2	906.8	-3.0	2.7
Time and Savings Deposits	1,807.3	2,224.4	1,666.9	-18.8	-2.1
Air Transportation					
Passengers Enplaning (Number)	739,568	714,021	140,211	3.6	-0.9
Passengers Deplaning (Number)	748,099	727,077	139,993	2.9	1.0
Freight Enplaned (Tons)	2,927	3,947	488	-25.8	6.3
Freight Deplaned (Tons)	4,775	5,785	713	-17.5	-14.5
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	79,452	102,662	14,944	-22.6	27.2
Number of Units	1,290	1,708	236	-24.5	24.2
Residential—Multi Family					
Dollar Value ($000)	1,058	20,817	0	-94.9	0.0
Number of Units	49	713	0	-93.1	0.0
Nonresidential					
Commercial ($000)	51,733	34,938	8,089	48.1	67.5
Industrial ($000)	2,473	2,905	295	-14.9	-68.0
Institutional ($000)	5,466	4,772	1,097	14.6	-4.8
Nonbuilding					
Streets and Highways ($000)	20,156	23,797	272	-15.3	-95.4
All Other Nonbuilding ($000)	2,691	2,460	513	9.4	-21.0
Total Construction ($000)	163,029	192,352	25,210	-15.2	-0.1
General Business Index	87.5	85.8	88.5	2.0	-0.8

Note: Includes revisions.

[a] Total deposits of large commercial banks.

Sources for all tables: Local utilities companies; 10th Federal Reserve District Member Banks; Federal Home Loan Bank of Topeka; Oklahoma Employment Security Commission; United States Department of Commerce, Construction Statistics Division; Oklahoma Department of Transportation, *Progressive Report of the Transportation Director;* Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian Hickey, Research Assistant.

Business Highlights

Neil J. Dikeman, Jr.

Forecasts of slow improvement in the State's economy made earlier in the year appear to be holding up in most sectors of the economy although some areas of activity continue to lag behind year ago levels. In fact, of the ten most widely used measures of economic change, five have shown gains for the last two consecutive months and one reversed a May decline in June. Of the remaining four indicators, three declined during both May and June while the fourth experienced a fractional drop from the May level. Thus, during both May and June, gainers outstripped losers and thereby generated renewed optimism for continued improvement during the last half of the year.

Employment

Employment was one of the indicators which experienced monthly increases during both May and June but these increases were not sufficient to raise the average monthly level of employment during the year to date above that of the first half of 1986. However, this year's average remained only marginally below that of 1986 so that a continuation of the recent increases could off-set the current drop of 1.7 percent in average monthly level of employment thereby raising the average to near the 1986 level by year's end.

The job losses thus far this year have been in agriculture (10,000), manufacturing (6,100), mining (4,500) retail trade (1,600), contract construction (1,400) and all other industrial groups (2,500). It should be noted that all of these industries experienced monthly increases in both May and June except for mining (which declined in May but rose in June) conversely, and government (which declined in both months). Government employment has averaged 100 more jobs and service trades 1,600 more jobs than during the same period a year ago. The sharp decline in agricultural employment so far this year can be attributed in great measure to the unseasonable weather conditions noted earlier in the year. However, some of the early losses have been off-set by the rather sizeable gain in June.

Finally, the average monthly unemployment rate of 8.1 percent was fractionally higher than the 8.0 percent level noted for the first half of 1986 despite the fact that on average, 500 fewer persons were unemployed each month of this year than was the case at this time in 1986. This apparent disparity was due to the fact that the average labor force during the first half of this year declined by only 1.6 percent from last year's average whereas average employment was off by 1.7 percent.

Retail Trade

Recent press releases have highlighted the fact that sales tax collections during June exhibited a healthy increase over those of June, a year ago. While this was good news insofar as state revenues are concerned, it should be recalled that much of this gain in revenue was due to the increased sales tax rate which took effect in June and a far lesser part to increased sales. This is witnessed by the fact that retail sales in Oklahoma rose by only 0.1 percent during the month but, on the brighter side, this increase occurred at a time when a seasonal downturn was expected. Thus, after adjustments were made for seasonal variations, retail sales were up by 4.6 percent over May 1987. Also of some encouragement was the fact that first June marked the second successive monthly increase and next, automobile sales, which experienced sharp decreases during the first quarter began to show gains in April which accelerated rapidly in both May and June thus reducing the May deficit from last year's sales of 22.7 percent to 21.1 percent. These recent increases in automobile sales were largely the result of lower interest rates being offered by the manufacturers and longer warranty periods on most brands. However, despite these optimistic signs, retail trade during the first half of the year remained about 9.4 percent less than at this time last year and probably will not reach the sales volume of 1986 by year's end unless consumer purchasing picks up rapidly during the last half of the year.

It is interesting to note that sales in larger cities located in the State's four MSAs have apparently been hardest hit by the slowdown in sales this year while many of the smaller communities in less urbanized areas have actually enjoyed increased sales. It was the sales recorded in these latter communities in June which pushed the level for that month ahead of the May volume.

Construction

The dollar volume of construction activity as measured by the value of building permits issued declined by 5.8 percent in June to mark the third successive monthly decrease. This latest drop brought the level for the year to date to $382.4 million which was 11.6 percent less than for the same period of 1986. The main bright spots in the construction industry during June were the 18.2 percent rise in the value of permits issued for single family dwellings, the 163 percent increase in the value of permits issued for multi-family housing and the near 40 percent rise in the value of commercial building permits. These gains were, however, offset by sharp losses in industrial, and institutional building as well as in street and highway and other building activities.

An analysis of construction activity during the first six months indicates that recent increases in the value of residential permits has raised construction of single family dwellings to within 7.3 percent of the total for the same period last year and have also resulted in pushing the value of commercial and industrial construction for the year ahead of the totals for the first half of last year by 11.8 percent and 6.6 percent respectively. At these rates and direction of change, it is likely that total construction activity in the state will fall below the 1986 total by about 5 percent by year's end.

Finance

Total deposits in all depository institutions in Oklahoma rose slightly in June to register the second successive monthly gain. The May increase was the result of gains in both savings and demand accounts while the June rise resulted from an increase in demand accounts that was partially offset by a fractional drop in savings account balances. These recent increases, as encouraging as they were, did not raise the level of deposits to that of the first half of 1986 but did reduce the margin between the two periods to a net decline of 4.1 percent. This, however, is encouraging since the total of deposits during the first quarter of the year lagged behind the total for the same period last year by 4.5 percent. This suggests that the gap between the two years is narrowing and at the current pace, may be eliminated by the end of the year. It also indicates that depositors are beginning to regain some confidence in the viability and strength of the State's financial institutions.

Industrial Power Sales

Industrial power sales rose by 5 percent in June to mark the third successive month of increase. These recent increases in the use of electricity by Oklahoma's industries have raised the total for the year to within 1.3 percent of the level of consumption during the same period of 1986. The June gain paralleled that of both manufacturing employment which indicates that manufacturing output is beginning to turn upward and at possibly an accelerated rate. A continuation of the present trend in the use of electricity by industry in the State should shortly raise the level of consumption well above that of 1986.

Personal Income

Personal income received by Oklahoma residents has increased each month since January but these increases have been relatively less than the gains registered during the same period last year and as a result, the monthly average remains 1.3 percent below the average for the first half of 1986. A somewhat more serious picture emerges when personal income data are adjusted for inflation. Rather than an increase, such as occurred in the unadjusted data, after removing the effects of inflation, personal income in June declined by 0.1 percent from the May level which, in turn, contributed to a drop in the average for the first six months of 4.1 percent from the 1986 average. This simply means that not only is personal income lagging behind a year ago but also that the purchasing power of Oklahoma consumers has declined significantly from the year ago level. A portion of this decline in personal income can be attributed to lower property incomes in the form of lease bonus and royalty payments. However, another and possibly more significant factor is the change in the structure of the State's labor force where employment in the higher paying jobs such as those in the mining, manufacturing and construction industries have declined in recent years while employment in jobs in trades, services and government which have lower pay scales have tended to increase thus causing the wage and salary income segment to decline.

General Business Index

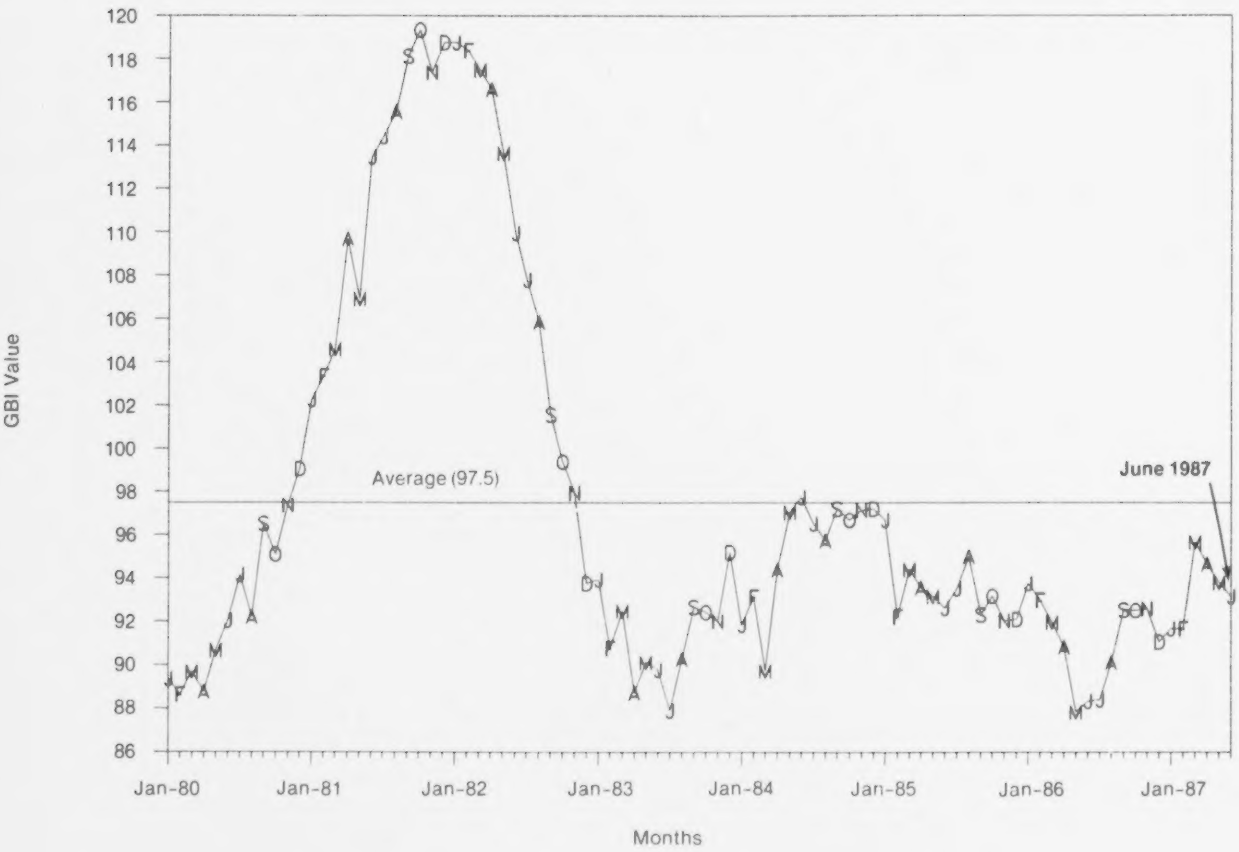
In spite of the fact that most of the economic indicators discussed above experienced increases during June, the decreases which occurred more than offset the gains thereby causing the General Business Index to decline by 0.6 percent during the month to a level of 93.2. Fortunately, however, the increase in business activity during May allowed the average Index for the first half of the year to remain 2.8 percent higher than the average for the first half of 1986. At this rate and barring any sharp decreases, it is entirely possible that by the end of the year the Index will have increased to near the level of 1985.

The Oklahoma General Business Index during the period January 1980 to present is depicted in the Figure on the following page.

Neil J. Dikeman, Jr. is Associate Director for the Center for Economic and Management Research.

FIGURE 1

**Oklahoma State General Business Index
January 1980 through June 1987**



Recent Trends in Foreign Direct Investment in Oklahoma

Janice Wickstead Jadlow
Donald L. Bumpass

Introduction

The recent fall in oil prices and subsequent depression in the petroleum industry, as well as the decline in agriculture, have adversely affected the economy of Oklahoma. This downturn in economic activity has stimulated interest in Oklahoma economic development and diversification. One manifestation of this interest is the commitment Oklahoma has made to broadening its economic horizons to include the global economy. Evidence of this worldwide viewpoint is exemplified by the Governor's Task Force on International Trade, the state's hiring the London investment bank of Morgan Grenfell to lure capital from Europe, the Governor's trade missions to Japan and India, the establishment of the Center for International Trade Development at Oklahoma State University and the University of Oklahoma's Office of Business and Industrial Cooperation. The thrust has been twofold: to increase Oklahoma exports and to attract industry from the rest of the world.

Headlines have reported the successes in luring foreign capital to Oklahoma. In March 1987 TDK Corporation of Japan announced a joint venture with Allen Bradley Inc. to produce ferrite magnets for electronic products in Shawnee, Oklahoma. In 1985 Hitachi announced its decision to locate a factory in Norman. In addition, Asahi, another Japanese company, recently purchased an iodine plant in Woodward and Iochem also plans an iodine operation in the state. These announcements represent recent important examples of foreign direct investment (FDI) in Oklahoma.

What is FDI?

Foreign direct investment in the United States occurs when a foreigner acquires interest of 10 percent or more in a U.S. based firm or starts a new operation. This enterprise is called a U.S. affiliate of the foreign company. Ownership (or control) of less than 10 percent is defined as indirect or portfolio investment. The distinction between direct and portfolio investment centers on the issue of control. The most obvious example of FDI occurs when a firm sets up a wholly owned subsidiary abroad, but FDI may also involve a joint venture agreement when the foreign-based firm has an ownership share of more than 10 percent. While a foreign firm with extensive portfolio interests may have a greater aggregate investment commitment in the United States than a firm controlling several U.S. affiliates, only the latter represents FDI.

Trends in FDI

FDI in the U.S. has become sufficiently visible to receive much public attention. For example, *Fortune* discussed recently the "selling off of America" to foreign investors who buy U.S. companies, financial instruments and real estate.[1] And the *Wall Street Journal* recently reported that Japanese firms now find it attractive to export goods made in their U.S. affiliates.[2]

FDI in the United States is not a new phenomenon; the early economic development of the United States was fueled by foreign investment, primarily of the portfolio type, in business in this country. During the post-World War II period, U.S. investment abroad grew rapidly. In contrast, foreign capital tended to be relatively insignificant in the postwar U.S. economy. Beginning in 1974, FDI in the U.S. increased significantly; between 1973 and year-end 1980, the stock of FDI in the U.S. had a compound annual growth rate of over 19 percent.[3] During the 1980s, the flow of FDI into the U.S. has been nearly six times the flow of U.S. investment abroad ($100 billion versus $17 billion). Real estate holdings grew at the fastest annual rate, 25 percent.

In 1985, employment by foreign affiliates accounted for nearly 3 percent of U.S. total nonbank employment. Approximately three-fourths of the FDI in the U.S. was found in four areas: manufacturing (33.2 percent with chemicals accounting for one-third of manufacturing), petroleum (15.4 percent), wholesale trade (15.0 percent), and real estate (10.2 percent). Examination of the sources of FDI in the U.S. reveals that Great Britain has long been the biggest direct investor: in 1985 it owned $44 billion in U.S. assets. The Netherlands ranks second. And Japan now exceeds Canada as the third largest foreign investor with a $19 billion position.

FDI in Oklahoma and the Region

U.S. nonbank affiliates of foreign companies provided nearly 27,000 Oklahoma workers with jobs in 1985. Between 1981 and 1985 Oklahoma experienced an 11.6 percent increase in jobs created by FDI; this represents a 2 percent annual rate of growth.

California, New York, and Texas, respectively, were the three largest states in terms of employment by nonbank U.S. affiliates of foreign companies; each of these states has in excess of 200,000 such employees. And, whereas California had 10 percent, Oklahoma had 1 percent of the total U.S. employment by foreign affiliates.

For the Southwest region, which includes Arizona, New Mexico, Oklahoma, and Texas, the number of foreign affiliate employees totalled over 280,000. For the 1981-1985 period, New Mexico affiliate employment experienced the greatest rate of growth, 9 percent; Texas had 4 percent while Arizona and Oklahoma each had 2 percent. The regional growth rate was 4 percent.

Table 1 shows the extent of FDI for Oklahoma, its six contiguous neighboring states, and for each region of the U.S. Oklahoma's affiliate employment as a percent of its comparable total employment was 2.3 percent in 1985, slightly below the national average of 2.9 percent. For Oklahoma's neighbors this share ranges from 3.1 percent for Texas to 1.5 percent for Kansas. In addition, U.S. affiliates' book value of assets was $4.8 billion in Oklahoma alone, and over $54 billion for the seven-state region centered on Oklahoma. Affiliates of foreign firms owned 31 thousand acres of Oklahoma land.

Most of the FDI in Oklahoma was generated from Canada; Canadian affiliates account for 33 percent of Oklahoma's foreign affiliate employment, double that of the second ranking United Kingdom. Canada, the UK, the Netherlands, and West Germany accounted for three-fourths of the total Oklahoma employment by nonbank U.S. affiliates in 1985 (see Table 2).

Although Oklahoma and the Southwest region mirror the national pattern, Table 3 focuses on the differences. The numbers reflect the attractiveness of Oklahoma to foreign investors of different nationalities relative to the Southwest region and to the nation, respectively. A number greater than 1.0 implies that Oklahoma has an

TABLE 1

Employment and Property, Plant, and Equipment of Nonbank U.S. Affiliates by Region and Selected States

	Number of Employees		Affiliate Employment[a] (Percentage) 1985	Average Annual Rate of Growth (Percentage) 1982-1985	1985	
	Year-End 1981	Year-End 1985			Gross Book Value of Property Plant & Equipment (Millions of $)	Land Owned (Thousand Acres)
Total	2,416,565	2,853,590	2.9	4	$293,560	14,584
Southwest	242,518	283,688	2.9	4	48,294	1,842
Arizona	30,642	33,603	2.5	2	3,700	213
New Mexico[b]	7,857	10,959	2.1	9	1,876	613
Oklahoma	24,978	26,967	2.3	2	4,835	31
Texas[b]	179,041	212,159	3.1	4	37,883	985
Plains	112,329	126,064	1.7	3	12,098	768
Kansas[b]	14,632	14,443	1.5	L	1,199	65
Missouri[b]	32,618	45,630	2.1	9	3,027	94
Southeast	577,742	706,497	3.2	5	69,880	3,929
Arkansas[b]	17,506	18,283	2.2	1	1,069	93
Rocky Mountains	52,583	50,338	1.7	-1	11,873	988
Colorado[b]	24,743	31,068	2.2	6	4,561	383
New England	144,024	169,820	2.7	4	7,778	2,768
Mideast	564,531	632,789	3.3	3	40,206	995
Great Lakes	388,570	481,908	2.8	6	29,923	863
Far West	294,380	360,707	2.5	5	41,202	2,349

Source: Survey of Current Business, May 1987. Monthly Labor Review, March 1987.

[a] Affiliate employment as a percent of total employment

[b] States contiguous to Oklahoma

L = Less than +0.5 percent

TABLE 2

Employment of Nonbank U.S. Affiliates, State by Country[a]
Thousands of Employees
1985
(Percent of Total in Parentheses)

	Canada	UK	Netherlands	West Germany	France	Japan	Latin America	Total of All Countries
Southwest Region:								
Oklahoma	9.0	4.7	3.4	3.2	1.4	0.5	1.7	27.0
	(33%)	(17%)	(12%)	(12%)	(5%)	(2%)	(4%)	(100%)
Texas	36.7	39.5	28.4	31.9	13.6	7.6	12.7	212.2
New Mexico	0.7	2.8	1.8	3.5	0.3	0.1	0.4	10.9
Arizona	8.5	9.1	3.8	3.5	0.9	0.7	1.7	33.6
Regional Total	55.0	56.1	37.4	42.0	16.1	8.9	15.9	283.7
	(19%)	(20%)	(13%)	(15%)	(6%)	(3%)	(6%)	(100%)
Other Contiguous States:								
Arkansas	3.8	3.5	3.8	0.9	1.5	3.0	0.4	18.2
Colorado	7.6	8.8	0.8	3.5	2.6	0.9	0.9	31.1
Kansas	2.6	2.7	1.8	2.4	1.9	0.2	0.2	14.4
Missouri	12.7	9.2	4.9	7.6	0.9	1.5	1.5	45.6
U.S. Total	527.6	628.4	213.4	406.7	163.8	208.6	122.6	2,853.6
	(18%)	(22%)	(7%)	(14%)	(6%)	(7%)	(4%)	(100%)

Source: Survey of Current Business, May 1987.

[a]Country of ultimate beneficial owner.

TABLE 3

The Southwest's Relative Attractiveness to Foreign Investments from Selected Countries
1985

Country	Ratio Oklahoma to Region[a]	Ratio Oklahoma to U.S.[a]
Canada	1.74	1.83
United Kingdom	0.85	0.77
Netherlands	0.92	1.71
West Germany	0.80	0.86
France	0.83	0.83
Japan	0.67	0.29
Latin America	0.67	1.00

Source: Table 2.

[a]Each country's share of total foreign direct investment in Oklahoma divided by the country's share of FDI in the region and in the U.S., respectively.

above-average attractiveness to FDI from a specific country. The regional comparison for 1985 indicates that, relative to the Southwest, Oklahoma was more attractive only to FDI from Canada; for the other countries in the study, Oklahoma had attracted a smaller share than the regional average. Looking at the comparison of Oklahoma and the United States, Oklahoma had an above-the-national-average attraction to FDI from Canada and the Netherlands. In both comparisons, it was the least attractive to Japanese investment.

Table 4 shows a similar analysis for the Southwest region's attractiveness for (or dependence on) investments in specific industries. Relative to the U.S., the Southwest is shown to have been highly dependent upon foreign investment in Petroleum and Coal Products over the 1980-1982 period. The Stone, Clay, and Glass Products industry also had an above-average attractiveness but the ratio is less than half that of Petroleum. In addition, the Southwest region was relatively attractive to foreign investment in Chemicals and Allied Products. By contrast, foreign investors avoided Rubber and Plastics Products, Transportation Equipment, and Instruments and related products.

The Attraction of FDI

In the future FDI in the United States should remain attractive. Indeed, the huge U.S. trade deficit has provided the rest of the world with dollars which can be used to buy U.S. assets. The recent drop in the value of the dollar has enhanced the attraction of the United States by making U.S. assets bargain specials. However, neither a reduction in the trade deficit nor a rise in the dollar will stem the flow of capital into the U.S. Interest from abroad for FDI in the United States is high. A survey of nearly 200 European chief executives found that 45 percent named the

TABLE 4

The Southwest's Dependence on (Attractiveness to) Foreign Investment in Selected Industries 1980-1982

Industry	Southwest Region[a]
Food and Kindred Products	.77
Chemicals and Allied Products	1.45
Petroleum and Coal Products	5.90
Rubber and Plastic Products	0
Stone, Clay and Glass Products	2.68
Primary Metal Industries	.53
Fabricated Metal Products	.90
Machinery, except Electrical	.51
Electric and Electronic Equipment	1.01
Transportation Equipment	0
Instruments and Related Products	0

Source: Jane Sneddon Little, "Foreign Investors' Locational Choice," *New England Economic Review*, Volume 30 (January/February 1983).

[a] Each region's share of foreign investment in selected industries divided by the region's share of all foreign investments.

United States as their first choice for international expansion.[4]

The interest in FDI in the United States reflects several factors. As mentioned above, the large U.S. trade deficit and the depreciation of the dollar are contributing factors. Strategic reasons also play a large role. The main reason listed by the executives surveyed is "access to a large, homogeneous market." Other attractions of the U.S. include political stability in an unpredictable world, access to new technologies, and the relatively high growth rate of the U.S. accompanied by sufficient growth in other developed countries to finance FDI in the U.S. Recent developments in the U.S. political economy also enhance U.S. magnetism. Tax reform resulted in the U.S. having the lowest maximum corporate tax rate in the industrial world. And the protectionist fervor in Congress has cast FDI as a means to avoid potential costly U.S. trade barriers.

In addition, FDI in the Southwest appears to be attractive. Recently the *Wall Street Journal* reported that a Bureau of Economic Analysis study of data for the decade 1974-1983 indicated "a shift underway in the regional pattern of U.S. foreign investment."[5] The Southeast and Southwest were the major growth areas over the decade for FDI as measured by employment.

Conclusion

Foreign direct investment remains a small part of the total volume of economic activity in the United States and is even less important in Oklahoma. Attractive features of the U.S. economy suggest that FDI in the U.S. will continue to thrive. The benefits of foreign investment to our economy are also important in jobs, tax revenues, and advanced technologies. In the final analysis, FDI represents a "two-way street" where both the foreign investor and the host economy gain.

Notes

[1] Jaclyn Fierman, "The Selling Off of America," *Fortune* (December 22, 1986), pp. 44-56.

[2] Douglas R. Sease, "Japanese Firms Export U.S.-Made Goods," *Wall Street Journal* (March 3, 1987), p. 6.

[3] David McClain, "Foreign Direct Investment in the United States: Old Currents, 'New Waves,' and the Theory of Direct Investment," in *The Multinational Corporation in the 1980s* edited by Charles P. Kindleberger and David B. Audretsch (Cambridge, Massachusetts: The MIT Press, 1984).

[4] George Anders, "European Executives Consider U.S.," *Wall Street Journal* (December 5, 1984), p. 34.

[5] "Southern States Increase Share of Foreign Direct Investment," *Wall Street Journal* (October 7, 1986), p. 35.

References

Little, Jane Sneddon. "Foreign Investors' Locational Choices: An Update." *New England Economic Review* (January/February 1983): 28-31.

U.S. Department of Commerce. *Survey of Current Business* (May 1987): 36-51.

U.S. Department of Labor. *Monthly Labor Review* (March 1987).

Janice Wickstead Jadlow is Assistant Professor of Finance and Donald L. Bumpass is Director of the Center for Economic Education at Oklahoma State University.

Oklahoma's Passive Tax Expenditures 1981 and 1984

William M. Hildred
James V. Pinto

Introduction

This article examines the issue of passive tax expenditures affecting several individual states and the nation. Discussion of their impact on Oklahoma first appeared in *The Oklahoma Observer* in 1980.[1] The general topic of passive tax expenditures was introduced with an application to Colorado in *Tax Notes* in 1977.[2] Three articles have analyzed the impact on Arizona.[3] The work was expanded to the entire nation in a 1986 article appearing in the *Journal of Economic Issues*.[4]

With the recent federal tax reform being such an important and timely topic, it is worthwhile once again to examine the degree to which Oklahoma's tax collections depend upon actions taken by Congress and the President with respect to the federal income tax. Although no attempt is made in this article to estimate the tax revenue windfall in Oklahoma due to the 1986 Tax Reform Act,[5] by looking at the estimated negative impact of passive tax expenditures in 1981 and 1984 on Oklahoma's personal income tax collections, one can realize the potential effect on state increases in tax collections due to provisions in the federal tax legislation. This article examines the magnitude of Oklahoma tax revenue losses attributable to federal tax loopholes or "tax expenditures" in 1981 and 1984. These revenue losses, incurred by a state due to linking its tax system to the federal system, are called "passive tax expenditures."

Statement of the Problem

The Tax Expenditure Concept

A tax expenditure is an instrument of public policy that benefits a distinct group of taxpayers by forgiving tax payments from that group. As formally defined by the Congress, tax expenditures are:

> ...revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax or a deferral of tax liability.[6]

The purposes of tax expenditures are two-fold: the provision of a subsidy which induces people to conform their private decision making to some public purpose, or the provision of relief from certain kinds of economic hardship. Of course, an alternative method of benefitting such groups would be through direct appropriations and expenditures (thus the name "tax expenditures").

The Phenomenon of Passive Tax Expenditures

Many state legislatures (including Oklahoma's) routinely accept federal definitions of taxable income, deductions and exclusions, or routinely permit the taxpayer's calculated federal income to be used for the state income tax return. Oklahoma's tax structure replicates the federal structure, including all the federal tax expenditures. This replication of the federal structure creates *passive* tax expenditures.

A legislature is indeed passive in this regard if it maintains a tax structure that embodies all the federal features as Congress enacts them, without giving active consideration to the existence, costs, or justification of the incentives in that structure which may or may not be in the state's interest. In today's environment not many legislators and tax agency officials can remain unaware of the phenomenon of passive tax expenditures, but they may assume the magnitude of such revenue losses to be insignificant. They might also believe that requiring a different tax procedure at the state level than at the federal level would lead to great complications for their tax payers and for state administrative processes. In any case, state tax officials concerned about the integrity of their tax systems should recognize the implications of continuing the present situation. Passive tax expenditures entail loss of control by state tax authorities over their own income tax bases, and the state contributes its foregone revenues in support of goals chosen by federal authorities.

Data and Method

A model has been developed for estimating the magitude of passive tax expenditures in all forty states that have a state income tax. The data for developing the estimates consist of: (1) the annual Tax Expenditure Budget, presented in Special Analysis G of the president's budget documents; (2) the ratio of each state's share of federal personal income tax paid, relative to the total federal personal income tax paid; (3) distributive data, apportioning each tax expenditure across income classes; and, (4) marginal tax rates for each income class, for each state.

The estimates are obtained through a sequential process in which each federal tax expenditure is apportioned among the states in the same ratio as the states' respective shares of tax paid, then distributed as the national distribution across income classes. Next, the income class data are grossed up by dividing through by federal marginal tax rates, yielding the increase in taxable income that would occur if the tax expenditure did not exist. Finally, each state's marginal tax rates are applied to the income-class-specific grossed-up income to provide the estimate of increase in state income tax revenue that would follow repeal of the tax expenditure. Greater detail and examples of the method can be found in our earlier papers.[7]

Results

The latest estimates presented in this article are for 1984. The following Table gives those for Oklahoma along with a prior estimate for 1981.

In comparing these two data sets, one needs to first look at overall changes between 1981 and 1984. Total passive tax expenditures increased by 52 percent as indicated by the 1984/1981 ratio (r) of 1.52. This percentage change represents an increase from $696.6 million to $1.056 billion. These figures may seem to be large, but they are in line with estimates made for other states and the nation.[8] Remember, these would be the increases in Oklahoma's personal income tax collections if *none* of the federal tax expenditures had existed in those years *and* if Oklahoma would have taxed its resulting larger taxable income base without allowing for *any* of those deductions, exemptions, or exclusions. It is highly unlikely that either of these events would ever occur, but the analysis indicates the potential for increased tax collections if they did occur.

TABLE 1

Oklahoma Passive Tax Expenditures
1981 and 1984
(thousands of dollars)

Passive Tax Expenditure	1981	1984	Ratio 1984/1981
Exclusion of Armed Forces benefits	6,172	7,915	1.28
Exclusion of income earned abroad	2,585	5,850	2.26
Expensing of R&D expenditures	159	621	3.91
Expensing of exploration and development expenditures	3,389	4,082	1.20
Excess of percentage over cost depletion	6,354	3,794	.60
Capital gains treatment of coal royalties	316	396	1.25
Exclusion of interest on state and local IDBs for energy facilities	—	306	—
Exclusion of interest on state and local IDBs, pollution control	903	2,188	2.42
Capital gains treatment of iron ore	39	66	1.69
Capital gains treatment, timber income	533	352	.66
Expensing of capital outlays, farmers	1,983	2,627	1.32
Capital gains, farm income	1,599	2,419	1.51
Dividend exclusion	5,470	2,279	.42
Exclusion of interest, small issue IDBs	907	4,311	4.75
Exclusion of interest, life insurance savings	16,434	14,318	.87
Deductibility of interest on consumer credit	22,099	60,196	2.72
Deductibility of mortgage interest	83,608	106,929	1.28
Deductibility of property taxes	37,148	40,931	1.10
Exclusion of interest, state and local housing bonds, owners	1,455	1,204	.83
Exclusion of interest, state and local housing bonds, rentals	923	1,291	1.40

TABLE 1 (continued)

Oklahoma Passive Tax Expenditures
1981 and 1984
(thousands of dollars)

Passive Tax Expenditure	1981	1984	Ratio 1984/1981
Exclusion of capital gains other than coal, iron, timber, agriculture	64,101	77,482	1.21
Deferral of capital gains, home sales	4,671	7,992	1.71
Exclusion of capital gain on home sales, persons age 55 and over	2,504	3,571	1.43
Carryover basis of capital gains at death	20,079	16,979	.85
Accelerated depreciation on rental housing	2,976	2,325	.78
Accelerated depreciation on buildings other than rental housing	493	8,628	17.50
Accelerated depreciation of machinery and equipment		5,616	—
Amortization of start-up costs	79	702	8.89
Exclusion of interest, state and local bonds for mass commuting vehicles	—	131	—
Five-year amortization for housing rehabilitation	60	155	2.58
Exclusion of interest on IDBs for airports, docks, sports and convention facilities	—	744	—
Exclusion of scholarship and fellowship income	1,314	2,161	1.64
Exclusion of interest, state and local student loan bonds	98	284	2.90
Exclusion of interest, state and local debt for private nonprofit educational facilities	—	131	—
Parental personal exemption for students age 19 and over	4,229	4,777	1.13
Deductibility of charitable contributions, education	3,866	3,174	.82
Exclusion of employee meals and lodging	1,589	3,378	2.13
Deductibility of charitable contributions, other than education and health	29,034	43,438	1.50
Exclusion of employer contributions for medical insurance premiums and medical care	60,937	91,787	1.51
Deductibility of medical expenses	15,300	15,068	.98
Exclusion of interest, state and local debt for private nonprofit health facilities	727	1,094	1.50
Deductibility of charitable contributions, health	5,802	6,347	1.09
Exclusion of OASI disability benefits	2,777	4,728	1.70
Exclusion of OASI retirement benefits	30,740	52,467	1.71
Exclusion of OASI dependents and survivors benefits	4,261	14,261	3.35
Exclusion, railroad retirement system benefits	1,296	2,336	1.80
Exclusion, workmen's compensation benefits	10,145	9,144	.90
Exclusion of public assistance	1,146	1,414	1.23
Exclusion of disabled coal miner benefits	301	520	1.73
Exclusion of unemployment insurance benefits	16,869	7,292	.43
Exclusion, military disability pensions	661	520	.79
Exclusion of pension contributions and earnings, employer plans	100,403	208,738	2.08
Exclusion of IRAs	—	52,078	—
Exclusion of Keogh pension plans	8,952	6,682	.75
Exclusion of premiums on group life insurance	7,921	9,089	1.15
Exclusion of premiums on accident and disability insurance	427	595	1.39
Additional exemption for elderly	8,753	10,873	1.24
Deductibility of casualty losses	2,941	1,694	.58
Exclusion, veterans disability compensation	5,059	7,112	1.41
Exclusion, veterans pensions	331	846	2.56
Exclusion, GI Bill benefits	700	585	.84
Exclusion of interest, state and local debt for veterans housing	—	175	—
Exclusion of interest, state and local public purpose debt	7,407	8,294	1.12
Deductibility of state and local taxes	75,641	95,651	1.26
Deferral of interest on savings bonds	—	3,222	—
TOTAL	696,661	1,056,359	1.52

Next, one can identify those passive tax expenditures which decreased from 1981 to 1984 by noting those 1984/1981 ratios which are less than one. In these cases, the ratios takes on values $0 < r < 1$. Of the 65 passive tax expenditures listed in Table 1, twenty percent of the items showed a decrease during this period. The reduction of the excess of percentage over cost depletion reflects the downturn in Oklahoma's oil production. Deductibility of casualty losses declined due to a change at the federal level that reduced the amount of such losses that could be deducted. Capital gains on certain timber income fell due to a recession in the housing and lumber industries. Unemployment compensation not taxed by Oklahoma produced less revenue loss in 1984 than in 1981, because of federal cuts in the amount of such benefits and taxation of the benefits above formula-determined amounts.

All other passive tax expenditures increased. Some grew modestly. Eighteen of the items showed growth of less than 50 percent over this period. Ratios of $1 < r < 1.50$ reflect these moderate rates with many growing slower than the increase in GNP over the same period. Most of the other items approximately doubled, and five of them more than tripled. Most of the near-doubling increases are probably associated with nominal economic growth during the same period. At the extreme, the absolute magnitude of increases may be noteworthy. For example, the relatively high $r = 3.91$ for expensing of R&D expenditures reflects an increase from a relatively low base of $159,000 in 1981 to $621,000 in 1984, whereas the relatively low $r = 1.28$ for the deductibility of mortgage interest reflects an increase from the relatively high value of $83,608,000 in 1981 to $106,929,000 in 1984. The mere observation of a large or small r, therefore, need not indicate by itself an unusually significant change.

Conclusions

Many explanations could be developed about the causes of change in these passive tax expenditures. Regardless of the added understanding obtained from such explanations, the most essential insight is that passive tax expenditures are *passive*. That is, the income tax base of Oklahoma shrinks or increases as a result of decisions made by the federal government. The Oklahoma legislature did not decide, for example, to forego $43 million in tax collections in 1984 (in addition to the amount foregone by the federal government) to encourage charitable giving by allowing the deduction for charitable contributions, nor to stimulate commerce by allowing deduction of consumer interest of $60 million, above and beyond the stimulus provided by the federal deduction.

Much the same could be said of nearly every item in the Table. The federal government was at some time persuaded that the market was somehow inadequate, or that some groups of income recipients were suffering hardship. A law or regulation was enacted, and from that time on the individuals received government largess in the form of a lower federal taxable income and thus a lower tax liability. As an added result, the states with income tax systems linked to the federal system collected less through their tax systems. Oklahoma allowed federal tax expenditures to have an impact on their state personal income tax collections in 1981 and 1984 to the extent indicated in Table 1 under the assumptions of what Oklahoma's tax collections would have been if none of the federal tax expenditures existed during those years and that Oklahoma itself would not allow for any tax breaks. Oklahomans may or may not "need" the windfall tax relief engendered through passive tax expenditures, but no one knows since the issue remains unexamined by the legislature.

Wisdom would seem to require a thorough review of each passive tax expenditure, resulting in conclusions about the desirability of continuing to allow the federal government to decide how much revenue the Oklahoma income tax will generate. Such action is recommended especially in this time of budget stringency in Oklahoma. In 1987, as the governor and legislature sought ways to deal with a $350 million budget deficit, the most popular approach was to cut spending. Only with great difficulty were the increases proposed and passed. It is interesting that at no time in the difficult process of making these adjustments was a proposal put forth to generate additional revenue by altering the income tax. The revenue enhancement occured wholly in the realms of sales and excise taxes and user fees. The issues raised in this article were not addressed.

Much of the difficulty faced by legislators who sought to raise taxes is that many Oklahomans see government as a parasite. It is viewed as doing nothing well and provides few desirable services. These services are said to carry an exorbitant cost because of mismanagement and corruption. Consequently, it is argued that the only sensible reaction is to make government as "small" as possible, and the only way to determine that government is shrinking is to observe that it is spending less. However, an adequate assessment of the role of government, one which is coherent and comprehensive, must acknowledge the fact that not all subsidies and income supports attributable to the state treasury are visible as appropriations. Tax expenditures, including the passive kind discussed in this article, are every bit as important to their recipients as are the cash flows of appropriations.

Obviously, some Oklahoma officials have an understanding of this fact. They believe that decision makers in business will respond to the state's inducement to locate or expand job-creating facilities within its borders, even if the financial lure is a reduction of tax liability instead of a cash grant. Evidence that this belief is influential in the capitol building is clear: on May 14, 1987, the House of Representatives approved an income tax exemption for small business "incubators"; on April 27, 1987, the Senate sought to encourage out-of-state insurance companies to establish regional offices in Oklahoma, exempting such benefactors from the insurance premium tax; and on April 13, a Senate committee offered a reduction of fees to those who register securities in Oklahoma, in the hope of fostering capital formation.[9] These kinds of actions are assuredly not part of a *laissez faire* governmental stance. They are significant interventions in the business decision making process, and they impose nontrivial costs on the taxpayers of the state.

If Oklahomans truly wish to reduce the role and influence of state government, the appropriate budget policy would dictate cuts *both* in appropriations and passive tax expenditures, with those cuts allocated in proportion to the respective sizes of appropriations and passive tax expenditures. Thus, assuming that Oklahoma's 1987 passive tax expenditures are on the order of $1 billion, and that appropriations are on the order of $2 billion, a $300 million deficit reduction should be divided between passive tax expenditures and appropriations in a 1:2 ratio. These reductions would result in passive tax expenditures being cut by $100 billion and appropriations being cut by $200. The salutary result this exercise would be that all of the beneficiaries of the state government's financial support would be visible, and forced to defend the legitimacy of their requests for that support. Thus, benefits lost by reducing "visible" appropriations (e.g. reduction in the number of teachers which the state can employ) could then be compared to the benefits lost from the reduction of an "invisible" passive tax expenditure (e.g. the deductibility of mortgage interest). Presently, the systems operates to force those who receive "visible" benefits (appropriations) to fight among themselves to keep from losing those benefits when appropriations are cut, while recipients of passive tax expenditures continue to receive their payments without any demonstration of individual need or demonstration of public benefit deriving from the payment.

Notes

[1] W. Hildred, "How Oklahoma Loses Millions Each Year," *The Oklahoma Observer* (September 25, 1980).

[2] W. Hildred, "Passive Tax Expenditures in State Income Taxes," *Tax Notes*, Vol. 5, No. 20 (May 1977), pp. 5-7.

[3] J.V. Pinto and W. Hildred, "Passive Tax Expenditures' Impact on Arizona Personal Income Tax Revenues 1979 and 1980," *Western Tax Review*, Vol. 4, No. 1 (Spring 1983), pp. 156-167. W. Hildred and J.V. Pinto, "Impact of Federal Tax Reform on Arizona's State Revenues," *Arizona Business and Economic Review*, Vol. 12, No. 1 (September 1985), pp. 6-8. W. Hildred and J.V. Pinto, "Arizona's Passive Tax Expenditures, 1984," *Arizona Business and Economic Review*, Vol. 13, No. 2 (December 1986), pp. 3-6.

[4] W. Hildred and J.V. Pinto, "Passive Tax Expenditures: Estimates of States' Losses Attributable to Federal Tax Expenditures," *Journal of Economic Issues*, Vol. XX, No. 4 (December 1986), pp. 941-952.

[5] A preliminary report of the Advisory Commission on Intergovernmental Relations, "Preliminary Estimates of the Effect of the 1986 Federal Tax Reform Act on State Personal Income Tax Liabilities," December 1986 makes estimates of the impact of this act on individual states under various assumptions.

[6] *Special Analysis G, Budget of the United States Government, Fiscal Year 1979* (Washington, D.C.: Government Print Office, 1979), p. 148.

[7] See Hildred and Pinto in the *Journal of Economic Issues*, op. cit.

[8] Ibid. Total passive expenditures for the nation were calculated to be $26.8 billion in 1984. Oklahoma's passive tax expenditures ranked the 10th highest among 40 states with state income taxes in 1984.

[9] Reported in *The Daily Oklahoman* May 15, 1987, pp. 13, 18; April 28, 1987, p. 13; and, April 14, 1987, p. 13.

William M. Hildred is Associate Professor of Economics at Central State University and James V. Pinto is Associate Professor of Economics and Statistics at Northern Arizona University.

OBIC *Connection*

Office of Business and Industrial Cooperation
The University of Oklahoma

OBIC was formed to assist statewide economic development and diversification by bringing the resources of the University to bear on problems and challenges which now limit job creation. OBIC serves as the bridge between the private sector and OU.

Major Goals of OBIC

1) Identifying barriers to growth of existing Oklahoma firms and seeking ways to reduce or eliminate those barriers.
2) Developing new businesses through encouragement of and assistance to inventors and entrepreneurs.
3) Seeking new business opportunities in University research and serving as bridge between the private sector and research at OU.
4) Assisting in attracting new business.
5) Expanding international business opportunities.

As part of its program to achieve these goals, OBIC is establishing a comprehensive data file on expandable Oklahoma manufacturers, processors and wholesalers who are interested in growing and therefore employing more Oklahomans.

EXPAND will be used as a referral source to match new customer needs with existing Oklahoma producers and as a base for other development activities. OBIC also seeks ideas for products and services which have the potential to create new businesses and provides assistance for the most promising start-up activities.

OBIC works closely with the University's research programs seeking commercializable ideas from within the University. With a total of 1,500 faculty members, 13,000 combined years of experience and over 300 degree programs, OU may provide the largest single resource for Oklahoma business and the best access to high technology research and current trends.

The OBIC staff is assisted by four faculty members who serve as liaisons between the private sector and faculty from the fields of business, life sciences, engineering, and social sciences with access to 200 additional fields. This connection enables OBIC to obtain rapid access to hundreds of specialized research areas.

The faculty and facilities available at the University of Oklahoma are an accessible resource for Oklahoma business. Shared interests, cost effectiveness and mutual benefit are only three reasons why the University is a natural choice for developing business and industrial opportunities.

For more information concerning EXPAND and other OBIC programs and services, please call or write OBIC Connection, 1000 Asp, 313 Buchanan Hall, Norman, OK 73019, (405) 325-JOBS.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069
RETURN POSTAGE GUARANTEED

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

Association for University Business and Economic Research
ABUER
MEMBER

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

10/26/87 U8130-1

OKLAHOMA BUSINESS BULLETIN

CENTER FOR ECONOMIC AND MANAGEMENT RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF OKLAHOMA

CONGRESSIONAL INFO. SERVICE/SRI
ATTN: ROBERTA B. MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

ISSN 0030-1671

October 1987 VOL. 55, ISSUE 10

SUMMARY OF INDICATORS

Category	7 Mos. '87	7 Mos. '86	July '87	Percentage Change 7 Mos. '87/86	Percentage Change July/June '87
Personal Income (Monthly Average)					
Unadjusted ($000,000)	3,386.4	3,413.8	3,417.4	-0.8	0.0
Adjusted for CPI ($000,000)	1,004.2	1,043.6	1,002.8	-3.8	-0.2
Crude Oil Production (000 bbl)[a]	61,514	76,269	9,946	-19.4	1.0
Industrial Power Sales (000,000 Kwh)[b]	4,688	4,713	717	-0.5	1.0
Total Bank Deposits (Monthly Average) ($000,000)[c]					
Demand	7,503	7,489	7,526	0.2	-1.1
Savings	25,660	26,774	25,598	-4.2	0.1
Savings and Loan Associations ($000,000)					
Assets	NA	NA	NA	—	—
Mortgage Loans Closed	596.9	918.2	66.1	-35.0	-22.1
Employment[d]					
Total Labor Force (000)	1,568.7	1,596.1	1,567.5	-1.7	-1.1
Total Employment (000)	1,443.9	1,467.0	1,456.8	-1.6	-0.6
Unemployment Rate (%)	8.0	8.1	7.1	—	—
General Business Index	93.6	90.6	94.0	3.3	0.8

Note: Includes revisions

[a] 6 months and June data

[b] Sales of larger privately owned utility companies

[c] Total deposits of all depository institution

[d] Civilian Labor Force

RETAIL TRADE IN SELECTED CITIES
($000)

			Adjusted					Adjusted	
	July '87		'87/'86	1987		July '87		87/'86	1987
City	Adjusted	Unadjusted	7 Mos.	July/June	City	Adjusted	Unadjusted	7 Mos.	July/June
Ada	14,356	14,030	-6.0	10.9	McAlester	10,343	10,183	-8.6	11.4
Altus	13,782	13,220	-8.5	22.4	Miami	11,609	11,500	-9.9	8.6
Alva	3,132	2,813	-28.2	30.3	Midwest City	33,507	33,381	-9.2	3.2
Anadarko	4,977	4,946	-15.3	8.4	Moore	14,180	14,005	1.9	-2.0
Ardmore	19,638	19,619	-6.3	15.9	Muskogee	31,382	31,127	-4.2	24.4
Bartlesville	20,513	19,863	-5.7	11.9	Norman	65,576	62,272	-9.6	17.2
Blackwell	3,541	3,364	-12.5	20.1	Oklahoma City	289,318	278,831	-5.8	15.6
Broken Arrow	19,610	19,292	-8.8	17.0	Okmulgee	6,160	5,983	-11.3	16.6
Chickasha	9,962	9,541	-9.3	16.4	Pauls Valley	4,208	4,096	-11.1	16.1
Clinton	7,013	6,802	-7.7	22.4	Pawhuska	1,409	1,331	-15.3	-1.5
Cushing	5,602	5,410	-16.3	17.8	Ponca City	17,043	16,776	-6.4	17.8
Del City	11,598	11,427	9.5	1.8	Poteau	4,822	4,640	-10.1	16.2
Duncan	14,897	14,254	-10.0	19.1	Sand Springs	8,615	8,622	-4.2	14.0
Durant	10,586	10,533	4.3	4.6	Sapulpa	13,568	13,216	-12.8	17.8
Edmond	23,156	22,421	-15.2	12.3	Seminole	6,179	5,858	-12.3	10.6
Elk City	8,030	7,804	-13.0	16.0	Shawnee	24,494	24,063	-3.9	9.4
El Reno	8,545	8,038	-11.7	18.4	Stillwater	23,799	22,333	3.4	9.4
Guthrie	5,466	5,489	-12.4	17.2	Tahlequah	7,813	7,992	-2.7	7.2
Guymon	4,525	4,415	-10.5	12.3	Tulsa	248,431	240,821	-6.7	12.3
Henryetta	4,829	4,851	-11.5	-2.4	Watonga	1,821	1,780	-7.5	5.1
Hobart	2,533	2,478	-11.3	18.3	Weatherford	5,775	5,483	-14.9	17.5
Holdenville	2,963	2,887	-12.7	17.6	Wewoka	1,246	1,201	-8.8	21.2
Hugo	2,937	2,893	-10.9	13.2	Woodward	11,609	11,404	-11.8	14.7
Idabel	4,041	3,869	-9.9	18.3					
Lawton	51,888	50,357	-0.7	15.4	**Total**	1,121,027	1,087,514	-6.8	13.7

RETAIL TRADE IN METRO AREAS AND STATE
($000)

Retail Trade	7 Mos. '87	7 Mos. '86	July '87		Percentage Change		
					7 Mos. '87/'86	July/June '87	
	Adjusted	Adjusted	Adjusted	Unadjusted	Adjusted	Adjusted	Unadjusted
OKLAHOMA CITY MSA							
Food	1,298,380	1,303,036	192,008	189,210	-0.4	3.4	-3.4
Apparel	106,070	112,850	15,234	13,369	-6.0	3.4	-2.0
General Merchandise	404,757	430,959	57,754	52,537	-6.1	0.2	-12.6
Furniture	166,417	156,141	21,494	21,686	6.6	-0.3	0.0
Lumber	98,630	120,681	14,087	16,388	-18.3	0.8	-0.2
Auto Dealers	921,156	1,060,617	184,484	168,902	-13.1	36.4	25.0
Service Stations	119,087	131,008	17,625	18,320	-9.1	39.8	35.8
All Other	385,253	388,334	50,460	57,416	-0.8	1.1	-5.5
Total	3,499,750	3,703,626	553,146	537,828	-5.5	12.6	4.0
TULSA MSA							
Food	774,471	786,918	111,274	110,362	-1.6	3.4	-3.6
Apparel	96,703	100,076	13,983	11,918	-3.4	1.1	-9.0
General Merchandise	330,186	338,793	48,913	46,579	-2.5	6.2	-3.3
Furniture	131,161	137,709	18,432	18,753	-4.8	3.5	-0.9
Lumber	81,799	98,194	11,378	13,587	-16.7	-2.8	-1.4
Auto Dealers	535,973	617,113	107,343	98,275	-13.1	36.4	25.0
Service Stations	97,862	107,671	14,475	15,050	-9.1	39.7	35.8
All Other	44,649	51,006	3,805	6,831	-12.5	-46.6	1.9
Total	2,092,804	2,237,480	329,603	321,355	-6.5	12.4	5.4
ENID MSA							
Food	66,173	67,512	10,053	10,262	-2.0	3.6	5.0
Apparel	10,755	10,872	1,614	1,632	-1.1	4.7	13.6
General Merchandise	27,543	28,068	4,025	3,914	-1.9	1.6	0.2
Furniture	7,229	7,072	1,255	1,299	2.2	39.8	51.6
Lumber	9,420	10,502	1,621	1,898	-10.3	19.2	25.9
Auto Dealers	52,721	60,696	10,560	9,667	-13.1	36.4	25.0
Service Stations	8,779	9,661	1,299	1,350	-9.1	39.8	35.8
All Other	20,457	19,316	2,818	2,763	5.9	7.9	-5.6
Total	203,077	213,699	33,245	32,785	-5.0	15.7	12.5
LAWTON MSA							
Food	110,531	104,204	15,807	15,991	6.1	5.2	-3.1
Apparel	12,997	11,876	1,836	1,642	9.4	-1.4	-8.3
General Merchandise	79,701	68,487	11,405	10,801	16.4	5.4	-5.3
Furniture	15,527	18,356	2,273	2,649	-15.4	14.2	27.8
Lumber	11,304	13,737	1,688	1,958	-17.7	1.7	8.1
Auto Dealers	70,262	80,900	14,071	12,883	-13.1	36.4	25.0
Service Stations	5,995	6,588	887	922	-9.0	39.7	35.8
All Other	22,410	25,003	3,141	3,469	-10.4	26.5	-9.5
Total	328,727	329,151	51,108	50,315	-0.1	14.1	4.0
MUSKOGEE AREA							
Food	79,681	80,991	12,013	13,242	-1.6	11.3	12.7
Apparel	11,167	10,960	1,579	1,627	1.9	12.4	17.6
General Merchandise	22,249	24,079	3,427	3,360	-7.6	8.0	4.7
Furniture	7,317	8,422	1,017	1,032	-13.1	6.0	-0.6
Lumber	3,191	3,687	479	587	-13.5	7.2	10.3
Auto Dealers	44,324	51,045	8,870	8,126	-13.2	36.3	25.0
Service Stations	7,693	8,474	1,136	1,182	-9.2	39.9	35.9
All Other	20,702	18,973	3,603	3,098	9.1	56.5	-2.3
Total	196,324	206,631	32,124	32,254	-5.0	21.7	13.3
STATE[a]							
Durable Goods	3,305,603	3,782,185	601,103	570,314	-12.6	26.4	16.8
Auto Dealers	2,301,738	2,650,419	460,935	421,997	-13.2	36.4	25.0
Accessory Dealers	190,929	203,293	26,704	29,504	-6.1	0.3	-2.0
Total Automotive	2,492,667	2,853,712	487,639	451,501	-12.7	33.8	22.8
Furniture	148,035	164,081	19,068	19,407	-9.8	-5.2	-5.2
Household Appliances	128,897	139,773	17,488	18,144	-7.8	3.2	0.1
Total Furniture and Appliances	276,932	303,854	36,556	37,551	-8.9	-1.3	-2.7
Lumber and Building Materials	326,724	379,650	44,443	51,452	-13.9	-4.7	-4.2
Hardware Stores	36,650	37,697	5,128	5,416	-2.8	0.0	-10.2
Total Lumber, Building Materials & Hardware	363,374	417,347	49,571	56,868	-12.9	-4.2	-4.8
Nondurable Goods	6,103,151	6,447,983	802,284	784,898	-5.3	0.4	-4.4
Apparel	365,725	368,641	53,668	49,173	-0.8	5.4	3.9
Drug Stores	317,738	286,984	45,336	43,010	10.7	4.6	2.9
Eating and Drinking Places	1,107,242	1,088,764	156,465	163,220	1.7	6.0	2.2
Food Group	2,373,636	2,678,646	277,761	269,302	-11.4	-6.8	-15.8
Service Stations	391,019	430,189	57,855	60,152	-9.1	39.8	35.8
General Merchandise Group	1,106,010	1,140,774	157,793	144,252	-3.0	2.1	-3.5
Total Retail Trade	9,408,754	10,230,168	1,403,387	1,355,212	-8.0	10.1	3.5

[a] Total includes data for categories not shown in the table.

ENID AND LAWTON MSAs
MUSKOGEE MA

Category	7 Mos. '87	7 Mos. '86	July '87	Percentage Change 7 Mos. '87/'86	Percentage Change July/June '87
ENID MSA					
Employment (Number)					
Labor Force	29,804	31,800	30,100	-2.7	-0.8
Total Employment	27,471	29,300	28,275	-6.2	0.4
Unemployment Rate (%)	7.8	7.9	6.1	—	—
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	673	1,267	120	-46.8	-33.3
Number of Units	8	18	1	-55.6	-50.0
Residential—Multi Family					
Dollar Value ($000)	0	2,000	0	—	0.0
Number of Units	0	62	0	—	0.0
Nonresidential					
Commercial ($000)	433	70	49	518.0	206.2
Industrial ($000)	1,194	1,587	0	-24.8	0.0
Institutional ($000)	0	0	0	0.0	0.0
Nonbuilding					
Streets and Highways ($000)	0	193	0	—	0.0
All Other Nonbuilding ($000)	278	0	39	—	-27.8
Total Construction ($000)	2,578	5,116	208	-49.6	-16.8
LAWTON MSA					
Employment (Number)					
Labor Force	47,800	48,600	48,275	-1.6	-3.0
Total Employment	45,336	46,200	45,975	-1.9	0.3
Unemployment Rate (%)	5.2	4.9	4.8	—	—
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	12,850	13,302	1,690	-3.4	12.7
Number of Units	201	219	27	-8.2	12.5
Residential—Multi Family					
Dollar Value ($000)	400	2,067	0	-80.6	0.0
Number of Units	16	76	0	-78.7	0.0
Nonresidential					
Commercial ($000)	2,270	3,505	647	-35.2	—
Industrial ($000)	20	408	0	-95.1	0.0
Institutional ($000)	0	138	0	—	0.0
Nonbuilding					
Streets and Highways ($000)	499	1,429	93	-65.1	—
All Other Nonbuilding ($000)	0	0	0	0.0	0.0
Total Construction ($000)	16,039	20,847	2,430	-23.1	62.0
MUSKOGEE MA					
Employment (Number)					
Labor Force	33,050	33,000	32,650	0.2	-2.0
Total Employment	30,132	29,800	29,950	1.1	-1.5
Unemployment Rate (%)	8.8	8.9	8.3	—	—
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	3,775	690	618	447.0	-10.0
Number of Units	51	10	9	410.0	-10.0
Residential—Multi Family					
Dollar Value ($000)	1,047	2,167	278	-51.7	0.0
Number of Units	26	40	7	-35.0	0.0
Nonresidential					
Commercial ($000)	7,885	98	199	E	0.0
Industrial ($000)	2,465	0	789	—	0.0
Institutional ($000)	1,523	550	0	176.8	—
Nonbuilding					
Streets and Highways ($000)	79	319	79	-75.4	—
All Other Nonbuilding ($000)	14	15	0	-9.4	—
Total Construction ($000)	16,785	3,839	1,963	337.2	-43.8

Note: Includes revisions

E = Exceeds 600 percent

Sources for all tables: Local utilities companies, 10th Federal Reserve District Member Banks, Federal Home Loan Bank of Topeka, Oklahoma Employment Security Commission, United States Department of Commerce, Construction Statistics Division, Oklahoma Department of Transportation, *Progressive Report of the Transportation Director*, Center for Economic and Management Research, College of Business Administration, The University of Oklahoma. The data for all tables were compiled by Marjorie E. Earley, Statistician for CEMR and Brian M. Hickey, Research Assistant.

Printed by University Printing Services. Seven hundred copies were prepared and distributed at a total of $500.00. Cost to the taxpayers of the State of Oklahoma: $312.00. October 1987.

The *Oklahoma Business Bulletin* is published each month by the Center for Economic and Management Research, 307 West Brooks, Room 4, Norman, Oklahoma 73069. October 1987, volume 55, number 10. ISSN 0030-1671. Second class postage paid at Norman, Oklahoma 73070. Subscription price per year is $10.00. Postmaster: Send address changes to the *Oklahoma Business Bulletin*, 307 W. Brooks, Room 4, Norman, Oklahoma 73069. NOTE: Beginning January 1987 articles formerly published in *Review of Regional Economics and Business* will be incorporated into the March and September issues of the *Oklahoma Business Bulletin*.

EQUAL OPPORTUNITY STATEMENT

This institution in compliance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and other Federal laws and regulations does not discriminate on the basis of race, color, or national origin, sex, age, religion, handicap, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

Center for Economic and Management Research
University of Oklahoma
Norman, Oklahoma 73069

OKLAHOMA CITY AND TULSA MSAs

Category	7 Mos. '87	7 Mos. '86	July '87	Percentage Change 7 Mos. '87/'86	Percentage Change July/June '87
OKLAHOMA CITY MSA					
Employment (Number)					
Labor Force	503,629	519,100	509,300	-3.0	-0.1
Total Employment	471,286	486,000	479,800	-3.0	0.4
Unemployment Rate (%)	6.4	6.4	5.8	—	—
Mortgage Loans Closed ($000,000)[a]	NA	NA	NA	—	—
Bank Deposits ($000,000)[b]					
Demand Deposits	911	945	864	-3.6	-4.7
Time and Savings Deposits	1,786	2,213	1,660	-19.3	-0.4
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	95,474	120,767	15,859	-20.9	5.3
Number of Units	1,546	2,013	253	-23.2	6.3
Residential—Multi Family					
Dollar Value ($000)	1,201	25,007	143	-95.2	—
Number of Units	54	871	5	-93.8	—
Nonresidential					
Commercial ($000)	61,833	37,952	11,073	62.9	55.5
Industrial ($000)	2,644	3,294	477	-19.7	354.3
Institutional ($000)	8,964	4,918	4,226	82.3	342.5
Nonbuilding					
Streets and Highways ($000)	31,556	25,465	11,401	23.9	E
All Other Nonbuilding ($000)	3,168	2,516	430	25.9	-22.7
Total Construction ($000)	204,841	219,918	43,608	-6.9	81.2
General Business Index	88.2	85.6	92.3	3.0	4.3
TULSA MSA					
Employment (Number)					
Labor Force	358,400	356,600	360,400	0.5	-1.1
Total Employment	327,828	326,700	333,100	0.3	-0.4
Unemployment Rate (%)	8.5	8.4	7.6	—	—
Mortgage Loans Closed ($000,000)[a]	NA	NA	NA	—	—
Bank Deposits ($000,000)[b]					
Demand Deposits	855	714	822	19.7	-1.5
Time and Savings Deposits	2,336	2,054	2,255	13.8	1.1
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	77,027	70,486	10,894	9.3	-15.5
Number of Units	1,108	1,148	160	-3.5	-18.8
Residential—Multi Family					
Dollar Value ($000)	11,376	19,653	95	-42.1	-91.7
Number of Units	531	630	4	-15.7	-94.7
Nonresidential					
Commercial ($000)	14,507	32,598	1,323	-55.5	1.7
Industrial ($000)	5,726	3,256	3,433	75.9	—
Institutional ($000)	9,832	9,890	57	-0.6	-20.8
Nonbuilding					
Streets and Highways ($000)	10,007	10,473	0	-4.5	—
All Other Nonbuilding ($000)	3,050	4,271	624	-28.6	7.5
Total Construction ($000)	131,526	150,627	16,426	-12.7	-23.3
General Business Index	87.5	86.5	87.3	1.1	0.5

Note: Includes revisions.
E = Exceeds 600 percent.

[a] By Savings and Loan Associations.
[b] Total Deposits in Large Commercial Banks.

CONSTRUCTION, STATE

Category	7 Mos. '87	7 Mos. '86	July '87	Percentage Change 7 Mos. '87/'86	Percentage Change July/June '87
PERMIT-AUTHORIZED CONSTRUCTION					
Residential—Single Family					
Dollar Value ($000)	207,742	222,110	32,399	-6.5	-0.5
Number of Units	3,142	3,653	484	-14.0	-3.4
Residential—Multi Family					
Dollar Value ($000)	15,300	53,237	516	-71.3	-67.1
Number of Units	664	1,804	16	-63.2	-81.8
Nonresidential					
Commercial ($000)	99,627	85,790	15,436	16.1	47.7
Industrial ($000)	12,394	9,285	4,700	33.5	425.7
Institutional ($000)	25,255	28,265	4,379	-10.6	71.7
Nonbuilding					
Streets and Highways ($000)	89,856	85,631	17,840	4.9	37.1
All Other Nonbuilding ($000)	6,818	7,807	1,178	-12.7	-6.5
Total Construction ($000)	456,990	492,124	76,448	-7.1	22.7

Note: Includes revisions.